

R  
286241

JPRS 83960

22 July 1983

# West Europe Report

No. 2178

**DTIC QUALITY INSPECTED 2**

**DISTRIBUTION STATEMENT A**

Approved for public release;  
Distribution Unlimited

19980605 176

**FBIS**

FOREIGN BROADCAST INFORMATION SERVICE

7  
181  
A09

## NOTE

JPRS publications contain information primarily from foreign newspapers, periodicals and books, but also from news agency transmissions and broadcasts. Materials from foreign-language sources are translated; those from English-language sources are transcribed or reprinted, with the original phrasing and other characteristics retained.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by JPRS. Processing indicators such as [Text] or [Excerpt] in the first line of each item, or following the last line of a brief, indicate how the original information was processed. Where no processing indicator is given, the information was summarized or extracted.

Unfamiliar names rendered phonetically or transliterated are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear in the original but have been supplied as appropriate in context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by source.

The contents of this publication in no way represent the policies, views or attitudes of the U.S. Government.

## PROCUREMENT OF PUBLICATIONS

JPRS publications may be ordered from the National Technical Information Service, Springfield, Virginia 22161. In ordering, it is recommended that the JPRS number, title, date and author, if applicable, of publication be cited.

Current JPRS publications are announced in Government Reports Announcements issued semi-monthly by the National Technical Information Service, and are listed in the Monthly Catalog of U.S. Government Publications issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Correspondence pertaining to matters other than procurement may be addressed to Joint Publications Research Service, 1000 North Glebe Road, Arlington, Virginia 22201.

22 July 1983

## WEST EUROPE REPORT

No. 2178

## CONTENTS

## THEATER FORCES

## DENMARK

SDP Defense Spokesman Budtz Explains Stand on Euromissiles (Lasse Budtz; BERLINGSKE TIDENDE, 21 Jun 83) .....	1
Gallup Poll Finds That Majority Oppose Euromissiles (Asger Schultz; BERLINGSKE TIDENDE, 4 Jul 83) .....	4
Paper Shows Voters Evenly Divided on Missiles Deployment (BERLINGSKE TIDENDE, 27 Jun 83) .....	7

## DENMARK/GREENLAND

First Peace Movement in Country Founded (GRONLANDSPOSTEN, 18 May 83) .....	8
---	---

## ENERGY ECONOMICS

## FINLAND

Industry Leaders Urge Fifth Nuclear Plant Be Approved (HELSINGIN SANOMAT, 23 Jun 83) .....	9
Status of Effort To Use More Domestic Energy Outlined (Inger Blomqvist; HUFVUDSTADSBLADET, 18 Jun 83) .....	13

## ICELAND

Oil, Gasoline Imports Drop During First 4 Months of 1983 (MORGUNBLADID, 22 Jun 83) .....	17
---	----

## ECONOMIC

### BELGIUM

- Gillon on Union's Economic, Political Strategy  
(Robert Gillon Interview; LE VIF, 9 Jun 83) ..... 18

### DENMARK

- Native Industry Has Only Small Share in North Sea Oil  
(Jens Olaf Jersild; BERLINGSKE TIDENDE, 23 Jun 83) ..... 25

### FRANCE

- PS Factions Split on Protectionism, Devaluation  
(Jean-Claude Hazera; LE NOUVEL ECONOMISTE, 13 Jun 83) .... 27
- Nationalized Firms Rue Lack of State Contact, Show Losses  
(Herve Jannic; L'EXPANSION, 4-17 Mar 83) ..... 30

### ICELAND

- Paper Encouraged by New Government's Policy To Ease Controls  
(Editorial; MORGUNBLADID, 22 Jun 83) ..... 43
- Briefs  
Value of Exports Drops ..... 45

### PORTUGAL

- Inflation Rose by 20.7 Percent Despite Small May Drop  
(DIARIO DE NOTICIAS, 16 Jun 83) ..... 46

## POLITICAL

### BELGIUM

- Tindemans on Policy, Relations With Africa  
(Leo Tindemans Interview; L'EVENEMENT, Jun 83) ..... 48

### DENMARK

- Prospects of Bourgeois Parties To Change Country's Course Viewed  
(Victor Andersen; BERLINGSKE TIDENDE, 27 May-2 Jun 83) ... 58
- Social Affairs Minister Claims Budget Cuts Are Beneficial  
(Elisabeth Crona; SVENSKA DAGBLADET, 2 Jun 83) ..... 65
- Columnist Says Progressive Party May Survive Without Chief  
(BERLINGSKE TIDENDE, 27 Jun 83) ..... 68

Paper Comments on Significance of Glistrup's Conviction (Editorial; BERLINGSKE TIDENDE, 23 Jun 83) .....	71
DENMARK/GREENLAND	
Greenlanders Visit USSR, Discuss Pan-Eskimo Joining (GRONLANDSPOSTEN, 8 Jun 83) .....	74
FINLAND	
President Koivisto Interviewed on Political, Foreign Issues (Mauno Koivisto Interview; HELSINGIN SANOMAT, 19 Jun 83)	76
Foreign Minister: Country Should Concentrate Foreign Aid (HUFVUDSTADSBLADET, 17 Jun 83) .....	87
Poll Indicates Increasing Support for Coalition Parties (HELSINGIN SANOMAT, 19 Jun 83) .....	89
Almgren Beats Down Challenge, Reelected Christians' Leader (Kari Huoviala; HELSINGIN SANOMAT, 19 Jun 83) .....	91
Christian Party Congress Discusses Poor Election Result (Kari Huoviala; HELSINGIN SANOMAT, 18 Jun 83) .....	93
First Post-Election Poll Confirms Steady Loss for SKDL (Editorial, Bjorn Mansson; HUFVUDSTADSBLADET, 22 Jun 83)	96
CP Chairman Kajanoja Comments on Exchange of Member Cards (HUFVUDSTADSBLADET, 21 Jun 83) .....	99
NORWAY	
Large Soviet Embassy Staff Seen Involved in Espionage (Thorleif Andreassen; AFTENPOSTEN, 27 Jun 83) .....	101
Paper Comments on First Poll Since Formation of Coalition (Editorial; AFTENPOSTEN, 27 Jun 83) .....	103
Poll Finds Willoch, Jakobsen Popular With Voters (Morten Malmo; AFTENPOSTEN, 25 Jun 83) .....	105
Christian Party's Bondevik Praises Willoch Cooperation (Knut Falchenberg; AFTENPOSTEN, 25 Jun 83) .....	108
Briefs Dissatisfaction in Christian Party	112
PORTUGAL	
Leading Union Voices Views Concerning New Government (Rui Ataide Ferreira; DIARIO DE NOTICIAS, 17 Jun 83) ...	113

Socialist Prospects With Right-Wing Policies Analyzed (Editorial, Jose Miguel Judice; O DIABO, 15 Jun 83) .....	116
Relationship of Government Leaders Seen as Problematical (Editorial, Jose Miguel Judice; O DIABO, 15 Jun 83) .....	118
Majority of Ministerial Appointments Criticized (Editorial; O DIABO, 15 Jun 83) .....	120
Briefs	
Trade Union Protest	121

#### SPAIN

Gonzalez-Mauroy Meeting Vital to Madrid-Paris Relations (Antonio Pelayo; YA, 12 Jun 83) .....	122
--	-----

#### SWEDEN

ERRATUM; In JPRS 83821, 6 July 1983, No 2168 of this series in article titled PALME GOVERNMENT EXPECTED TO FACE STRONGER OPPOSITION, p 81, para 7, line 1, sentence beginning with "Foreign Minister" should read "Foreign Trade Minister ..."

### MILITARY

#### EUROPEAN AFFAIRS

Denmark Cancels Swedes' Visit to Greenland, Faeroes (Roger Magnergard, Per Sabroe; SVENSKA DAGBLADET, 2 Jun 83)	125
--	-----

#### DENMARK

NATO To Stage September Exercise on Zealand (BERLINGSKE TIDENDE, 4 Jul 83) .....	127
Faroe Islands' Nobel-Winning Writer: NATO Impact Harmful (Willy Johannsen; LAND OG FOLK, 2 Jun 83) .....	128
Briefs	
Harpoon Missiles Made Safer	131

#### FEDERAL REPUBLIC OF GERMANY

Prospects for Defense Budget Increase (WIRTSCHAFTSWOCHE, 17 Jun 83) .....	132
Policy Toward Permitting Arms Exports Viewed (Manfred Schell; DIE WELT, 15 Jun 83) .....	134

## FINLAND

Officials Concerned Over Submarine Violations in Aland Area (Bill Hancock; SVENSKA DAGBLADET, 3 Jun 83) .....	136
Aland Islands MP: Treaties Preclude Sub Defense Measures (HUFVUDSTADSBLADET, 17 Jun 83) .....	139
MI-8 Helicopter Soon To Be Operational With Border Patrol (UUSI SUOMI, 9 Jun 83) .....	141

## FRANCE

Defense Role of Reserve Cadres Studied (DEFENSE, Mar 83) .....	143
'Farfadet 83' Exercise Involves Army, Navy, Air Force (Rene Guillemin; COLS BLEUS, 7 May 83) .....	153
Frigate, Destroyer Movements in April 1983 (LA NOUVELLE REVUE MARITIME, Jun 83) .....	156
Briefs New Minehunter, Frigate Launched .....	157

## NORWAY

Last Generation of Officers With WW II Experience Retiring (Knut Falchenberg; AFTENPOSTEN, 27 Jun 83) .....	158
--	-----

## SPAIN

Journalist Charges Genocide in Sahara (DIARIO, 11 Jun 83) .....	160
--	-----

## SWEDEN

Report From Oslo: British Sold Minisubmarines to USSR (Erik Liden, Nils-Erik Lindell; SVENSKA DAGBLADET, 10 Jun 83) .....	162
Government Directive To Defense Committee Stresses Cuts (Erik Liden; SVENSKA DAGBLADET, 10 Jun 83) .....	163
Defense Writer Decries Defense Cutbacks Over Recent Years (Ingemar Engman; SVENSKA DAGBLADET, 12 Jun 83) .....	165

## AEROSPACE SCIENCES

## FINLAND

Finland To Join in METEOSAT Network (Martti Ristimaki; UUSI SUOMI, 12 Jun 83) .....	170
--	-----

## SDP DEFENSE SPOKESMAN BUDTZ EXPLAINS STAND ON EUROMISSILES

Copenhagen BERLINGSKE TIDENDE in Danish 21 Jun 83 p 6

[Letter from Lasse Budtz, Folketing member, SDP: "Lasse Budtz Explains Himself"]

[Text] It is with serious interest that I have read the many readers' letters and contributions to the debate in BERLINGSKE TIDENDE regarding the Social Democratic Party's security policy. Since my name is mentioned in a predominant number of them, it is certainly reasonable that I once more try to give an answer.

I have, of course, also received a number of personal letters, fortunately including many positive ones, but also critical ones. I received one of the letters from an acquaintance I have known for many years, and whose viewpoints I respect to a high degree and for several reasons. It appears to me that my answer to this letter writer also covers a broad range of the problems that have been raised in readers' letters and contributions to the debate and I shall therefore take the liberty of reproducing my own letter. It reads as follows:

"Dear N.N.:"

"Thank you for the letter; it is undeniably interesting. But I know you will forgive me when I say that we have heard the arguments before. But we would indeed have very gladly done this, too, for it should be clear that we have analyzed methods and possibilities very closely, have weighed the consequences, etc., as the debate and the party's attitude gradually developed."

"The basic question, of course, is still this: What is gained by deploying the 572 missiles--or beginning to deploy them--if, perhaps, for example, by October the possibility should appear of reaching a reasonable agreement with the Soviet Union in March, for example?"

"Our attitude is that we must try to make our contribution to limiting this aspect of the nuclear weapons race. This attitude has been molded quite strongly by the fact that a number of prominent experts in the West--and now increasingly more Americans, also--have the view that if it is first possible to stop the Soviet deployment and then limit it there are no military strategic grounds for establishing the Western retort."

"We are strong enough to begin with in the nuclear area. We have sufficient opportunities to 'retort.' The targets the 572 missiles are to be directed against are already covered. 'Our' Western nuclear weapons are of such a versatile nature that they cannot be neutralized all of a sudden. Why continue then? Under these conditions the Soviet Union's probable desire to exercise pressure as a consequence of the Western 'split' is not so important."

"It is to be feared that continuation will only lead to further acceleration of the nuclear arms race and the next round presumably will be the deployment of Soviet SS22 and SS23 missiles in the GDR, Poland, Hungary and Bulgaria. Informed Western experts assert that under any circumstances the political preparations for this are already in progress. How will the West retort to this?"

"They talk about the European reaction capability, the 'NATO threat' (the 572 missiles). Well, it is not European. Under any circumstances it is American controlled to the greatest degree."

"The intensification of the situation since 1979 has been reflected in the lack of results in arms reduction talks and in moves too late, too vague and too feeble. This is totally in keeping with Reagan's confrontation policy, which presumably more than anything else at all has strengthened the opposition to arming in Western Europe. The president's unbelievably unconciliatory attitude and his crusader mentality have also strengthened peace movements."

"The Social Democratic Party's attitude has been sanctioned by the Folketing group minus Robert Petersen and by a unanimous head committee, many times and in several connections at that. This, of course, first happened after long debates, but also after the sending out of material. We have tried publicly to explain our attitude carefully, but in consideration of the fact that 95 percent of the Danish press is bourgeois, it is often difficult to get oneself heard--in any case difficult to get space enough for our arguments. But I will not deny that it could be done better."

"Some--including American political advisers who I have often had an opportunity to discuss the matter with (most recently at the NATO parliamentary meeting in Copenhagen)--have hinted that the whole thing perhaps has a domestic political background. A number of Danish dailies, as we know, have also done this, often in an unbelievably unacceptably primitive manner. If the intention had been to topple the government, we would have actually done it, precisely in connection with this matter. But the intention and background are another and perfectly obvious [words missing]: We do not think that we can just sit quietly and watch a development we think is dangerous and besides in the long term harmful to NATO. This is our honest and deeply serious opinion."

"That Anker Jørgensen, Kjeld Olesen and myself have emphasized numerous times that we do not think there is an alternative to NATO I mention only for the sake of completeness. I am certain you have noted these declarations."

"They talk also of mistrust in our alliance and of our lacking solidarity. Indirectly they are actually saying that we must come to terms with everything which is trying to be accomplished in or by the alliance. This is not our opinion. It

is a question of 16 countries with many different parties, and it would be quite unreasonable to believe that we all can always agree on everything. Of course this cannot be done."

"But this would also be at variance with the idea of democracy and the parliamentary system and NATO was basically created precisely to protect these values and our right to adopt an independent position. How many times, incidentally, have we not stated that membership does not prevent an independent Danish foreign policy? And would it not directly harm the strong support of the people for NATO, which we are happy for, if we just automatically were to accept everything? It is not a question of lacking solidarity but of disagreement among friends, of a limited if still deeply serious problem."

"Besides, we imagine that the social democratic parties, which share this basic attitude, as the Danish party has also expressed, will take part in influencing the sides to in any case consider a more flexible and compromise-conducive policy--an expression they themselves employ in their letters."

"With regard to our southern neighbor's interests, you are right that it is in our and in our southern neighbor's interest that 'he' remain in solidarity with the West. But in what manner is this to be done?"

"On the CDU's [Christian Democratic Union's] conditions or the SPD's [Social Democratic Party of Germany's]? It can hardly surprise you that we place greater weight on the SPD's viewpoints than on the CDU's and we have, as you possibly know, very close cooperation with the SPD."

"Incidentally, there are strong rumors in 'foreign policy circles' that both the American and French governments' innermost motive for wanting the Pershing 2 missiles stationed in West Germany is not to counter the 'Soviet threat' but to maintain West Germany in the Western community. The theory is interesting, to put it mildly."

"With fondest regards, sincerely yours, Lasse Budtz."

8985

CSO: 3613/138

GALLUP POLL FINDS THAT MAJORITY OPPOSE EUROMISSILES

Copenhagen BERLINGSKE TIDENDE in Danish 4 Jul 83 p 7

[Article by Asger Schultz]

[Text] More than half the voters (58 percent) oppose the planned deployment of new NATO missiles in western Europe, while only half that number (24 percent) favor deployment.

This appears from a survey conducted by the Gallup Institute to determine voter attitudes on this sensitive issue as well as the most likely reasons behind their views.

A representative selection of around 1,000 respondents were asked the following questions:

"Whether or not there is a shift in the balance of forces, do you believe the improved nuclear missiles should be installed or do you think this should not be done?"

And to determine the background for voter attitudes, the following questions were asked about the peace movement, the balance of forces, desire for peace, etc.

"The peace movement has been sharply criticized on two counts. In the first place it has been said that the peace movement has been organizationally infiltrated in such a way that in reality the communists and those with a strong leftist orientation are the ones behind the peace movement. Do you think that is correct or incorrect?"

And: "Regardless of that, another criticism has been that the activity and demands of the peace movements unilaterally benefit the Soviet Union. Do you think that is correct or incorrect?"

And: "The Soviet Union has installed new and improved nuclear missiles that can strike western Europe. That is the reason for installing new and improved nuclear missiles in western Europe. Do you think it is correct to say

that western Europe will be substantially weakened in relation to the Soviet Union if improved nuclear missiles are not installed in western Europe?"

And: "If the Soviet Union became decisively stronger than western Europe militarily, do you think this would jeopardize western Europe's freedom and independence?"

And: "Do you believe the Russian offer can be regarded as an expression of a real desire to contribute to a peaceful development or do you think it simply expresses political, tactical maneuvers?"

In the following table, the answers to the first question have been divided up according to responses to the following questions, although those who answered "don't know" have been left out.

The last column shows the distribution of the background questions and does not add up to 100, since the "don't know" responses were eliminated.

As the table shows, NATO supporters also strongly and overwhelmingly oppose the new NATO missiles.

The opposition is not due to any belief in the Russian desire for peace, a belief that is not widespread.

But it has some impact if one feels a threat to western Europe's freedom and independence. If that is the case, a relative majority (45 percent compared to 41 percent) would accept the missiles.

However among those who believe that western Europe would be substantially weakened militarily, the majority (50 percent compared to 38) approve deployment of the new missiles. And in that context it can also be seen that if the activity of the peace movements is regarded as a real weakening of the balance of power in favor of the Soviet Union, the desire for new missiles is increased.

The fact that in spite of this a large majority of the population opposed the missiles, is due of course to the limited belief that western Europe would be substantially weakened, as the last column of the table shows.

Only a minority (26 percent) thought the peace movement demands unilaterally benefitted the Soviet Union and a good deal less than half the population (41 percent) thought deployment of the new Soviet missiles would mean a substantial military weakening of western Europe.

But if one thinks that the peace movement paves the way politically for a shift in the balance of power in favor of the Soviet Union and that the new Soviet missiles mean a substantial military weakening of western Europe, an overwhelming majority of two-thirds (65 percent) would favor the deployment of new missiles in western Europe. But this view of the peace movement and the importance of the new missiles is shared by only 17 percent of the voters.

<u>Background orientation</u>	<u>For mis-</u> <u>sile de-</u> <u>ployment</u>	<u>Against</u> <u>missile</u> <u>deploy-</u> <u>ment</u>	<u>Don't</u> <u>know</u>	<u>In all</u>	<u>Total</u>
Total	24	58	18	100	100
For NATO	34	50	16	100	100
Against NATO	4	87	9	100	15
Western Europe weakened	50	38	12	100	41
Western Europe not weakened	7	87	6	100	35
Peace movement favors USSR	50	36	14	100	26
Peace movement does not favor USSR	16	77	7	100	50
Peace movement communist-dominated	40	45	15	100	45
Peace movement not communist-dominated	12	79	9	100	35
Western Europe's freedom jeopardized	45	41	14	100	38
Western Europe's freedom not jeopardized	14	80	6	100	38
Russia wants peace	11	79	10	100	15
Russia does not want peace	34	53	13	100	61

The source for these figures is the Gallup Institute of Denmark and BER-LINGSKE TIDENDE.)

6578

CSO: 3613/141

PAPER SHOWS VOTERS EVENLY DIVIDED ON MISSILES DEPLOYMENT

Copenhagen BERLINGSKE TIDENDE in Danish 27 Jun 83 p 5

[Text] The attitude of Danes toward NATO's missile policy divides voters into two almost equally large groups, according to an Observa poll published in MORGENAVISEN JYLLANDS-POSTEN.

Some 30 percent of the voters feel Denmark should have maintained its approval of NATO's dual decision from December 1979.

And 27 percent approved the Folketing resolution, which a majority of the body approved a while ago, which required Denmark to present a separate viewpoint at NATO's Council of Ministers meeting in Paris recently, the newspaper wrote.

About 25 percent of the voters answered "don't know" and 18 percent did not answer the question at all.

The poll was conducted by letter on 13 June and 1,267 people took part in the survey.

6578

CSO: 3613/139

## FIRST PEACE MOVEMENT IN COUNTRY FOUNDED

Godthaab GRONLANDSPOSTEN in Danish 18 May 83 p 12

/Article: "Peace Movement Founded in Greenland"/

/Text/ The many-armed activities for peace and disarmament have obtained one more link as the first of May was used to mark the founding of a newly established peace movement in Greenland. The movement which has received the Greenlandic name "Sorsunnata" ("non-war") was founded by two teachers in Qasigianniguit, Elisa Isaksen and Baltser Andersen.

"Sorsunnata" discloses that an effort will be made to establish local committees all over Greenland. Contact has been made with the international peace movement, to which the peace movement in Denmark belongs, and already in a very short time there have been many inquiries, from the neighboring town Aasiaat among others, where there is already interest in forming a local peace group.

The founding declaration states:

"We want to form a peace movement in Greenland which will contribute to peace and discussions between the countries instead of arms buildups and militarism. We want to promote active participation by the population in Greenland in the peoples' joint struggle for lasting peace and inter-human understanding. We have therefore decided to found the peace movement 'Sorsunnata' in Greenland.

"We want to work for an active Greenlandic effort for detente in the world and for worldwide disarmament and inter-human understanding.

"We want to work to inform the people of the military race and its previous consequences and we want to spread knowledge of the role that the American bases play in the arms race.

"We want to participate in all work for peace which is based on these goals."

9583

CSO: 3613/126

## INDUSTRY LEADERS URGE FIFTH NUCLEAR PLANT BE APPROVED

Helsinki HELSINGIN SANOMAT in Finnish 23 Jun 83 p 27

[Article: "Industry Demanding Nuclear Power"]

[Text] The Industrial Association is giving parliament 1 year to make a positive decision on a new nuclear power plant. Industry is presenting its demand in a recent energy policy position, which was made public on Wednesday.

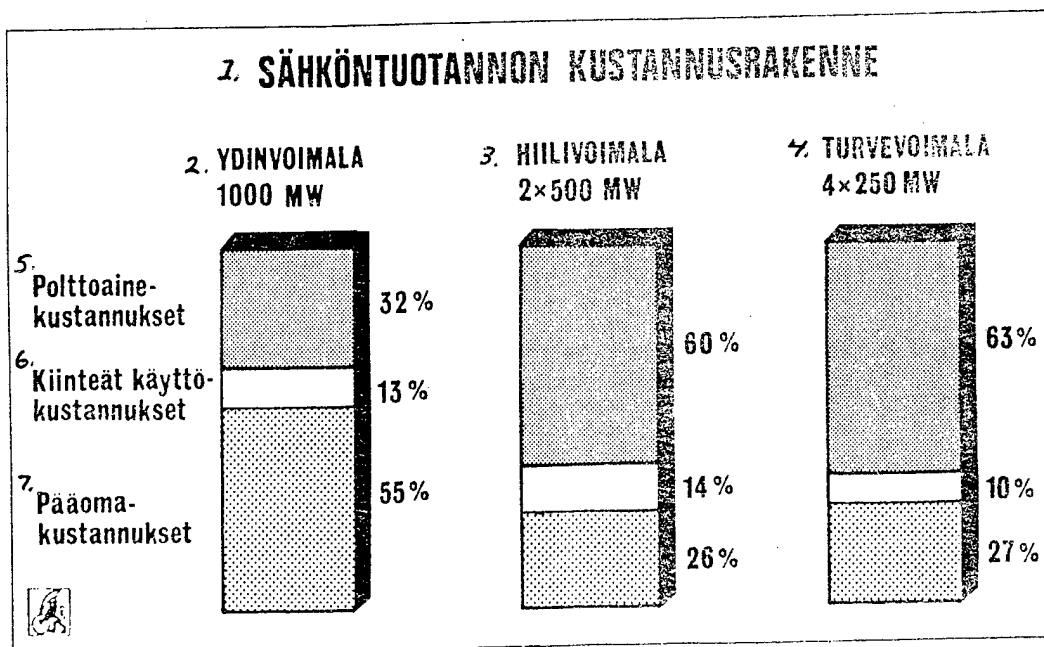
The TKL [Industrial Association] is justifying its position on a nuclear power plant with the price of electricity. In the opinion of the TKL only nuclear power can keep the price of electricity at a competitive level. According to the report, Finnish industry is now paying a higher actual price for electricity than industry in competitive countries.

The Industrial Association does not intend to just hope for a positive decision. The time limits in its position are strict: when a decision on the 1000-megawatt nuclear power plant is made within a year according to the TKL, a new nuclear power plant should be erected by 1989 and be operational for the production of electricity in the beginning of 1990.

According to Assistant Managing Director Timo Relander of the Industrial Association, all points of view should be taken into consideration in an energy policy discussion "if the conclusions are to be unambiguous".

The restoration of healthy business principles is included among other concepts of the TKL in its energy policy. Industry wants to see the immediate implementation of the report of the energy taxation committee or the application of the sales tax to energy taxation. "An energy tax reform is now absolutely necessary from the point of view of competitiveness," states Relander.

The reform wanted by industry means that businesses would be able to deduct the sales tax on energy from a firm's total sales tax. In the opinion of the TKL the same applies to electricity investments, to which sales tax reductions should also be applied. The TKL would also do away with the tax on electricity.



Key:

- |   |                              |
|---|------------------------------|
| 1. Cost structure of electricity production | 4. Peat power plant 4x250 MW |
| 2. Nuclear power plant 1000 MW              | 5. Fuel costs                |
| 3. Coal power plant 2x500 MW                | 6. Fixed operational costs   |
|   | 7. Capital expenditures      |

#### "General Laws Restrain Development"

Counselor of Mining Kari Kairamo, chairman of the TKL's energy policy committee, is concerned about energy management. "Industry, which uses energy, considers it imperative that energy management be developed according to sound business principles," stated Kairamo in commenting on the TKL's report.

The TKL is opposed to any attempts to limit energy management with new legislation. In the report it is assumed that "the new general laws will be inclined to restrain energy management activities, which will result in an increase in the cost of energy as compared to the result of conditions provided by an energy management operating according to sound business principles". However, the TKL grants clemency to the new nuclear energy law, the enactment of which is justified according to the report.

In Kairamo's opinion the decision on nuclear power should be made now since investment projects concerning production in the 1990's are presently being considered in energy-intensive businesses. "Decisions concerning these investments cannot be made if there is uncertainty about future price development as far as the most important cost factor is concerned," argued Kairamo.

According to Kairamo, industry pays an annual energy tax of approximately 800 million markkaa, "which is an expenditure that has no equivalent in the industry of other countries".

#### "Imports from USSR To Be Continued"

Even though the TKL is not in principle interested in increasing imported energy, imports from the Soviet Union are discussed in the energy policy paper.

The TKL supports imports from the Soviet Union by means of increasing export opportunities in the bilateral trade. On the other hand, the TKL does not believe there will be a sharp increase in the importing of electricity from the Soviet Union since this would require new technical investments in Finland's electric network according to Kairamo. Another reason according to him is that Finland should produce as much domestic energy as possible.

Also Managing Director Magnum Buchert of the League of Industrial Electricity Producers rejects the idea of imported electricity since the proportion of imported electricity cannot be greater than 10 percent of the total consumption of electricity. At the present time approximately 4 terawatt-hours of the total consumption of 40 terawatt-hours are being imported.

#### "International Prices for Oil"

An international price level for oil is being demanded in the TKL's paper. In the report it is presumed that the new pricing system could change the price of heavy fuel oil quite frequently. Thus according to the TKL, Finnish industry would be able to compete under the same conditions as other countries during a reduction in oil prices. The TKL promised that it will compile a new paper on the oil pricing system at a later date.

According to the TKL, the use of natural gas can be increased only by means of sound business principles "while taking long-term investment expenditures into consideration".

The TKL also promotes sound business principles for domestic fuel, or they should be used when this becomes worthwhile. According to the report, they will not, however, resolve Finland's energy problems.

In the opinion of the TKL the use of wood as a source of energy should not be increased so that it will compete with the availability of raw wood for industry.

The 23-page paper of the Industrial Association also devotes a little less than a full page to environmental issues. The association is demanding that various forms of energy should be evaluated on the basis of common criteria.

Counselor of Mining Kari Kairamo pointed out that those making decisions on energy policy have a primary responsibility to employment and competitiveness. "By this I do not in any way want to belittle environmental issues," he stated.

The Industrial Association's paper is the first actual statement by industry on energy policy. It is also one of the strongest statements on behalf of a new 1000-megawatt nuclear power plant. Industry hopes that MP's, who are on summer break, will study the TKL's proposal in their summer cabins.

10576

CSO: 3617/145-A

## STATUS OF EFFORT TO USE MORE DOMESTIC ENERGY OUTLINED

Helsinki HUFVUDSTADSBLADET in Swedish 18 Jun 83 p 17

[Article by Inger Blomqvist: "Domestic Energy is Worth Investing In"]

[Text] Heikki Haavisto, chairman of MTK [expansion unknown] recently noted in a speech at Nyslott that the domestic share of energy is not being developed at the desired rate. Today about 25 percent of energy is produced with domestic fuel. Haavisto believes that there is no reason to haggle over the goal of increasing the domestic share, since that means new jobs and income for many in the countryside and development areas. A realistic goal is, according to him, that within this decade to use 20-25 million cubic meters of peat and 4-5 million cubic meters of chips. But the goal will not be reached unless there is active work to increase the domestic share of energy.

Haavisto noted that it has been calculated that if a million tons of oil are replaced by chips that would mean 5,000 jobs per year, and if the corresponding amount of energy were replaced with peat it would mean 7,000 to 8,000 jobs when the peat is cut.

Furthermore there would be jobs in connection with the transport and at the workplaces where the fuel is consumed.

The domestic fuel does not only create new jobs--it also improves the care of the forests, and production in the forests would increase.

#### Peat Production

Although domestic energy has not grown at the desired rate, it can be noted that, especially in eastern Finland, agriculture has gone in for peat production at a greater rate than previously.

Timo Hanhilahti, energy policy secretary at MTK reports that peat production last year increased to 16.2 million cubic meters, of which 14.6 million cubic

meters were cut peat and 1.6 million cubic meters were extruded peat. Beyond that, small farmers and agriculture produced 300,000 cubic meters of extruded peat, or about 15 percent of the total.

In this country there are about 300 small peat producers whose peat areas are between 10 and 20 hectares. Some of the peat is for their own use, but most is sold to consumers in the area.

#### Dairies Use Peat

A good example of peat as an energy source is Varkauden Osuusmejeri in Varkaus. Here they burn a large amount of the peat which comes from the milk producer's own bogs. (A part of Suonenjokis strawberry land has now become peat land and burns in the heaters of the dairy.)

Under pressure from the state and the milk producers, the dairy decided a couple of years ago to invest in domestic fuel, and despite investments of nearly 15 million marks they are satisfied today with that action.

Managing Director Osmo Huuonen says that it took about 15 years before the investment paid off, but at the same time, thanks to technical advance, they could--surprisingly--save about 50 percent of their heat energy consumption.

#### Chips in St Mickel Dairy

Mikkelin osuusmejeri St Mickel is one of the dairies which has converted to chips.

Managing Director Rudolf Siegfried says that in 1979 the dairy changed over to chips, and last year used 26,000 cubic meters, which means that they saved 2,400 tons of oil.

In order for chips to be economically profitable to use the price should be 25 percent lower than oil, he said. He also said that if the investment is high and the chips are not so cheap, still the 2.6 million marks that one would have paid for oil remains in one's own community--and furthermore it employs 10 people. For that reason above all domestic fuel is worth investing in.

He said, however, that if the price of oil sinks to below 25 dollars per barrel, the use of chips is debatable.

#### Kinder to the Environment

Another thing is that chips are significantly kinder to the environment than oil.

Oil causes grime to rain over the town from time to time, and it has happened that the dairy has had to replace damaged automobiles. (The grime eats away the paint.) This has not happened since the conversion to burning chips.

The ash is not a problem since it is in so much demand as a soil improver that the milk producers regularly take it away. So far they have got it free, said Siegfried.

#### 40-50 Cubic Meters Per Hectare

Some of the chips used at the dairy come from Kalliola Farm in Olkkolanniemi. The owner, Hugo Kivinen has sold a plot here at Metsaliitto of 16 hectares of standing timber.

It was a forest which was planted 15 years ago where broadleaf trees were smothering pines and spruce. From the area they expect 40-50 cubic meters of chips per hectare.

Just now the felling and removal of the trees is taking place. They are stored in large piles by a road and later chopped up when sufficiently dry for chips, and hauled to the dairy.

It would be ideal if the owner himself attended to the cutting, since his profits would then be greater and the forest would probably be better cared for. An owner selling standing energy timber gets about 7 percent of the price of the chips.

#### Profitable Investment

On Axel Westerstrahle's farm in Rantasalmi he converted a couple of years ago to burning chips. The farm now saves 20 cubic meters of oil per year, and even though the investment cost 80,000 marks, Westerstrahle figures that it is profitable.

The chips come from his own forest and naturally cost something to produce, but still they are relatively cheap.

About 400 cubic meters of chips are used on the farm annually, and usually the trees are cut in the summer and chopped into chips in the autumn when they have dried.

Three times each week the tank in the heat center is filled, but the furnace largely takes care of itself.

On Westerstrahle's place the heat center is located in the former dairy, and the furnace is in the former ice cellar. Thereby the environment of the farm has been maintained.

## Lots of Chips and Peat

According to a report, there could be 15 million cubic meters of timber cut annually in our forests for energy purposes. It is mainly a question of nonproductive leaf forest and shade trees in young forest. Especially in the eastern sections of the country there are lots of alder forests which industry has no use for.

There is also plenty of peat, and it is calculated that nationwide the use of peat products until 1995 could increase to 20-30 million cubic meters annually.

In good years extruded peat can be produced three times per summer--provided that the weather is not too wet. Cut peat can be produced up to 15 times per summer if the weather is favorable.

The primary risk with peat production is that rain can prevent the peat from drying and that can cause one year's income to be lost.

## Coal is the Worst Competition

In today's situation the competition for peat and chips is coal. Chips cost 65-75 marks per megawatt-hour [MWh], while extruded peat costs 50-60 marks per MWh and cut peat costs 40-50 marks per MWh. The price of coal is 40-45 marks per MWh, and oil about 90 marks per MWh. Both chips and peat are therefore more advantageous than oil, but more expensive than coal.

Another thing is that rather large investments are required to convert from oil to chips or peat.

For example, the Central Hospital in Nyslott, which recently converted to chips, was forced to invest 5 million marks in its heat center before they could go over to domestic fuel. The hospital expects to use about 80,000 cubic meters of chips annually, and thereby reduce oil purchases by one million kilos.

9287

CSO: 3650/231

## OIL, GASOLINE IMPORTS DROP DURING FIRST 4 MONTHS OF 1983

Reykjavik MORGUNBLADID in Icelandic 22 Jun 83 p 38

/Article: "Nearly 46.2 Percent Fall in Gasoline Imports"/

/Text/ Total imports of oil and petroleum fell by around 35.5 percent quantitatively during the first four months of the year. A total of 105,503.1 tons were imported, compared to 163,709.1 tons during the same period last year. The value increase between the years was around 17 percent or 485.45 million kronur against 414.86 million kronur.

Imports of petroleum fell by around 20 percent during the four months in question. A total of 27,397.4 tons were imported, compared with 34,277.6 tons during the same period last year. The value increase between the years was around 35 percent or 144.23 million kronur against 106.79 million kronur.

The fall in imports of crude oil was around 33 percent. Imported were a total of 32,349 tons compared with 48,163.4 tons during the same period last year. The value increase between the years was around 35.2 percent, or 104.56 million kronur against 77.34 million kronur the same time last year.

Gasoline imports fell by around 46.2 percent during the first four months of the year. Imported were a total of 37,144.0 tons, compared with 68,994.2 tons during the same period last year. The value decline between the years was around 2.2 percent of 188.77 million kronur against 193.022 million kronur.

Imports of aviation fuel fell by around 23 percent during the first four months of the year. Imported were a total of 596.9 tons, compared with 774.3 tons the same period last year. The value increase between the years was around 30 percent, or 5 million kronur against 3.85 million kronur.

Finally, imports of jet fuel fell by around 30.6 percent during the first four months of the year. Some 8,015.2 tons were imported compared to 11,550.2 tons during the same period last year. The value increase between the years was around 26.6 percent of 42.9 million kronur against 33.87 million kronur during the same period last year.

9857

CSO: 3626/43

## GILLON ON UNION'S ECONOMIC, POLITICAL STRATEGY

Brussels LE VIF in French 9 Jun 83 pp 22-26

[Interview with Robert Gillon, head of the Liège branch of the General Federation of Labor of Belgium, by reporters Charles Bricman, Benoit Califice, and Jacques Dujardin, in Liège, date and occasion not specified: "Robert the Rebel"]

[Text] He scares people; he is annoying; but he mobilizes them. In an exclusive interview with LE VIF's editorial staff, Robert Gillon reveals his strategy. And candidly tells all. His objective? To be a catalyst. Get together a Walloon workers' "Fronde [insurrection]" Overthrow the present government.

The coming weeks will be hot, as regards the social situation. A few days ago, the people of Liège gave the signal for the start of a union offensive against Martens 5. At their head, a "leader": Robert Gillon. Accused of demagoguery, despised by a few, feared by all, he undeniably sees himself as the successor and continuator of André Renard. We went to meet with him, in one of his comfortable offices at the Liège FGTB [General Federation of Labor of Belgium]. On the wall, a portrait of Renard: below it, Gillon smiling and joking, as if to prove that he is not the bogeyman he is depicted to be. And then talking; revealing his strategy. With utter ingenuousness....

[Question] You were the promoter of the march on Brussels by the people of Liège. You seemed very isolated then. The Walloon interregional office of the FGTB seems to be right behind you today. And tomorrow, perhaps the CSC [Confederation of Christian Trade Unions]. What has changed, the last few days, on the social front?

[Answer] You know, with the Cockerill-Sambre and city problems, we were faced with a very special situation in Liège. That is why the workers of Liège were the first to be mobilized, and why the Carolos [people of Charleroi] were the first to join them, before the interregional office. I am delighted with the decision made by the latter, which will pull the Walloon workers as a whole into the fray.

[Question] With the CSC?

[Answer] I am one of those who hope for unity in the world of work. Spurred on by André Renard, I was even one of the first to make contact with the Liège

CSC. Since then, we have never given up this path, but we have been forced to recognize that it was difficult, because in Liège the Christian trade unionists are in the minority, and they react like minorities. So before the last actions we started, I telephoned Louis Smal; and before deciding on the march on Brussels, Jacques Yerna had contacted Piette. We found the answer the next day...in the press. It was "No!"

In fact, it is not very hard to understand. The CSC has some of its friends in the government and it is hard for it to attack it head on. But we are still ready for worker unity, and when there seemed to be a hint of overtures just recently, from the Walloon CSC, the whole interregional organization told Jean Gayetot that it should be looked into.

[Question] "Get Walloon workers as a whole into the fray," you say. But a fight for what?

[Answer] Settle the problems of the cities and the iron and steel industry in the best interests of the workers, of course. But also, try to put an end to the pernicious policy that this government has been applying for months, and that it is probably going to make even worse with the new special powers.

The clear objective that I am pursuing is therefore to exert the strongest pressure on the government, either to get it to change its policy -- which I do not believe it will do -- or force it to go away. And when all is said and done, if this government should fall, let it be clear that the aim we have through actions taken from time to time is the establishment in the country of a federal structure.

That, then, is the objective that we set for ourselves 20 years ago. And I will tell you very frankly that it is a fact that the crisis in the cities and in the iron and steel industry, the economic situation in Wallonia are such that we are making use of them to achieve this basic objective.

I am one of those who believe that after this government, there is no place any longer for a Belgian government within the framework of a country structure as we know it. Since this government is preventing Wallonia from taking its responsibilities and solving its problems, we might as well make it plain quickly and go ahead.

[Question] Within a legal constitutional framework, or otherwise?

[Answer] It makes little difference. If the Flemings, Walloons, and people of Brussels are in agreement to meet around a table to establish institutional structures in accordance with the desires of the people, that is fine with me. But if the CVP [expansion unknown], to take one example, should go on talking about federalism while delaying establishment to tap Wallonia through the Belgian state, I say no.

Wallonia and the workers will then have only one way left to respond to the provocations: change through action.

[Question] In fact, are you against this government because you feel it is dominated by the Flemings, or because it is right-wing?

[Answer] For both these reasons. Because it is dominated by the Flemings, and because I consider the Walloons in it to be puppets....

[Question] Do you think a man like Gol, or Maystadt, think they are puppets?

[Answer] Go and ask them! Most of all, I think they are afraid of their own shadows, and that they are not convinced that Wallonia can manage by itself. And then, too, they must like being ministers.

[Question] People are also saying that even within the PS [Belgian Socialist Party], Spitaels is still thinking in terms of a nation.

[Answer] Spitaels is still wondering about a certain number of issues, and I do not blame him, for the situation will still be difficult under a federal system. But he does seem to me to be leaning toward the right side....

[Question] You must find that he is taking a long time. Why, in your opinion?

[Answer] Well, as for that! Go and see him about it! I will just tell you that he is a sociologist, and that he is weighing far more than I do....

But I was talking about the government. I am against it, both because it is dominated by the Flemings and because it is following a rightist policy that is unacceptable for the region and for its population.

[Question] Is your kind of federalism more radical, compared to the federalism sought by Renard in 1960?

[Answer] Absolutely not. Renard's federalism was and is still the kind I want. But bearing in mind the evolution in Flanders, we are forced to develop a different language. And as we are finding out that dialogue is impossible, we are talking about a confederation rather than a federation. Because confederation implies two states being constituted, then forming a federation.

In Europe today, it would be ridiculous to try to set up independent states in Flanders, in Wallonia, and in Brussels. That would be nationalism, and we do not want that at all.

[Question] And what about Brussels? Some people seem to think, in Wallonia, that autonomy is only conceivable in a union with Brussels that would bring part of its resources to the southern part of the country. Is that a preliminary to the success of your project?

[Answer] No. The debate is fundamental, and if I refer to the figures available, it is clear that a link between Wallonia and Brussels is an important item. We wanted that, incidentally, as long ago as the establishment of the

Walloon Popular Movement, with André Renard. And we have no right to abandon the 80 percent of francophones who live in the capital. But there, the Flemings are going to react more strongly, because they consider Brussels as a Flemish city.

[Question] That is very political language you are using.

[Answer] What sort of language do you expect me to use?

[Question] But still, your political team-mate is the PS....

[Answer] We are hoping to make up a team, with the PS and with what we call the progressive forces in Wallonia. But I admit that it is not easy, because the PS is in a position different from ours. It is clear that if this government breaks down tomorrow, the socialists will have to make a choice: take office or not? And in the very severe period of crisis that we are experiencing, everything is not going to change because the PS would be in power. But we are grown up enough to believe that with federalism all the problems are going to be solved and that we shall not have any more difficulties.

[Question] In a new federal structure, are you excluding those forces in Wallonia that are not thought to be "progressive"? In other words, is there room for a Walloon consensus that would go beyond the workers?

[Answer] It is the workers that were affected first by the crisis, in their jobs and their incomes. But this part of the population still has some savings, thanks to which the workers are still spending enough to prevent the crisis being felt equally by the Walloon population as a whole, particularly by the middle class. But we are gradually reaching the time when the restrictions on consumers will become such that the middle class and independents will severely feel the pinch themselves. And that would make a much larger rally possible, and put an end to central government as we know it.

But be that as it may, even in a federal system, a power relationship will arise between the Left and the Right. There is not a country in the world where the problem does not occur in one form or another, except under regimes that I do not want to have. Because, contrary to what people say, I do not want to make a Cuba out of Wallonia....And that even if I am a friend of Castro's and go to Havana frequently! I am conscious of living in Wallonia, and not in central America....

[Question] Awareness of the crisis as a mobilizing element: agreed. But even so you cannot deny that Flanders is experiencing it, this crisis. What about that?

[Answer] The crisis is undoubtedly being felt by the Flemings, but not in the same way. The industrial structure in Flanders is younger, and less concentrated. I am sorry to have to repeat it so often, but we were affected by the closing of hundreds of coal-mines, and now by the reorganization of the iron and steel industry. And also in the metal manufacturing plants. The crisis is a burden to everybody, but it is costing us more because we have an older and more concentrated industrial structure.

[Question] The trades unions were to some extent accomplices in that concentration. It is even said that it has served Mr Gillon's interests well, since he derives the greater part of his political power from the mass of Cockerill workers. And that that is even the reason why a potential shutdown worries him: no more Cockerill, no more Gillon; and no more Liège FGFB....

[Answer] Now, gentlemen, make no mistake! Make no mistake: Cockerill-Liège is 12,500 persons, and the Liège FGFB is 160,000 affiliates. Now it is true that Cockerill-Sambre is important, but not indispensable as concerns union power. I am defending Cockerill-Sambre because I am defending the jobs of thousands of workers by defending it; I never have any thought of union power or what you call my political influence. If I behaved like that, I would not be worthy of being where I am and performing the duties that I have. I never make political calculations at the expense of the workers. Never, do you understand?

With that out of the way, I admit, as concerns the first part of your question, that we do have some responsibility for the concentration of the industrial structure. To come back to Liège, it is true that before the Cockerill-Sambre merger, there were a certain number of "matches": Ougrée with Seraing, Espérance with Cockerill. And it is obvious that today we are paying for the non-adaptation of the structures to these mergers. It was the leaders at the time who failed to take the indispensable measures, that were not easy to take, either, since, with the situation at the time good, it was reasonable to expect that the worker, laborer, employee, or skilled worker who lost his job in the iron and steel industry would be able to find another job in the region.

It is also true that I agreed to the Liège and Charleroi merger. I can even tell you that it was decided upon among four persons, in my office at LA WALLONIE, with Staquet, Charlier, and Frère....

[Question]...and André Cools?

[Answer] He was there too, that is right. And if I had not said yes, Cockerill-Liège would not be in the situation it is in. But I must remind you that we had agreed on the basis of a specific plan, the 15 May plan. And that a fortnight later, that specific plan was modified at the wishes of Albert Frère, Willy Claes, and Mark Eyskens. And it was after that modification that the merger foundered.

[Question] Why was that?

[Answer] The 15 May plan provided for four steel plants, and something more that I shall not tell you about. But it provided for only one mixed continuous casting steelworks: at Seraing, in the best steel plant there is, everybody agrees to that. And a fortnight later, Frère got another constant casting plant for Charleroi. The whole plan was put off balance by that because the means of production became too important and the output of Seraing that could have been distributed to Carlam and Chertal made no sense any more. I have often explained that and it is the truth. But a deaf ear has always been turned.

[Question] Knowing what you know, then, you would say no, if it were to be done again?

[Answer ] I would take far more precautions before saying yes. Because I believe that the merger of the basins was a good thing in itself, and I believe that a valid Walloon iron and steel industry could have been set up. But it would have required everybody's being aware of the objective to be sought and nobody's spitting in the soup. And I am sorry to have to say that Albert Frère did spit in the soup.

[Question] Under the circumstances, why did you, from your point of view, not go into action sooner?

[Answer] The Cockerill workers may blame me for this, but let me remind you that last year we went through 6 weeks of work stoppage and that it was on the basis of a proposal from Michel Vandestruck, whom I trusted, that we suspended the strike. But a few months ago, Eyskens felt that given the circumstances, the plan was no longer valid and that another was needed. He had agreed to it, however, at the time! After that, I was perhaps wrong to trust Vandestruck, but that is one of the reasons why the strike was not started earlier.

[Question] All that must be disconcerting for the enterprise's workers....

[Answer] Very disconcerting. How many times I told them to trust me, only have to tell them afterwards that the situation being what it was -- and it played some dirty tricks on us, it is true -- we would have to revise our plans. But now, we have reached a point where that is no longer possible.

[Question] With the Gandois plan?

[Answer] With the Gandois plan, which I am convinced will send Cockerill-Sambre under in a very short time. That responsibility is one that I am not taking.

[Question] What fault do you find with this plan?

[Answer] Merely that its intention is to bring Cockerill-Sambre back down to a size (5.1 million tons) that will not permit the enterprise to pay off all the investments involved. And an enterprise that cannot amortize its investments has decided implicitly to close down. Because at term, it cannot re-tool. That is one of the reasons why I am saying that at 5.1 million tons, it is all over with.

[Question ] But the consultant's thesis is that that is a maximum, taking into account the situation and the state of the market....

[Answer] No! That is wrong! Cockerill-Sambré has always had some 5 percent of the European market and the 5.1 million tons are short of that 5 percent in a market that is in a crisis that has bottomed out.

If matters get to that stage, it is obvious that Cockerill-Sambre will never again ever resume its place in the market. Gandois makes no secret of it anyway, since he says that since we have a reduced domestic market, we must leave more room for others on the foreign markets. That is unacceptable, because Cockerill-Sambre has the right, as do the other iron and steel industries, to fight on the European market as well as on the Belgian market. That is the reason why Europe was created: to allow products, goods and people to circulate freely in a common market.

The Gandois plan will probably be proven right if it starts with the hypothesis of the 5.1 million tons, but it is that hypothesis that I do not accept. Because once the two steel mills are closed, it will all be over with, and if the situation improves, Cockerill-Sambre will never get back its place on the market. By closing two steel mills, Gandois is setting up in the end the freezing of the enterprise at present levels.

[Question] What in your opinion are the conditions for Cockerill-Sambre's recovery?

[Answer] That a decision be made quickly. No decisions have been made since 1977, and if they had been made at the time, we would be showing a high performance now. There will have to be reorganization, both as to tooling and human resources. And we agree about that! We have said for a long time that Cockerill Liège can function with 10,000 persons, which means we accept the laying-off of 2,500 workers. Why has this not been done? Not because of the unions, but because the government has not given the enterprise the means with which to do it. Because the Flemish ministers, who are looking out for SIDMAR [expansion unknown]'s interests, found it advantageous to let things drag on.

[Question] Do you have confidence in the new head of Cockerill-Sambre?

[Answer] I am going to tell you that and you can write it down: the present head of Cockerill-Sambre is a clown!

[Question] But you are not laughing, though?

[Answer] In fact, since Charlier left, Cockerill-Liège has not been managed. Charlier tried to correct a certain number of things and he succeeded. But when he got in the way, he was off-loaded.

[Question] So there are some employers with whom you get along?

[Answer] That is not the problem. We know the facts about enterprises, and today I have several people here who are working full time on the reorganization of enterprises. To make rescue proposals. Because the employers are giving up. Because we find ourselves more and more frequently facing administrators, instead of employers. Because there are no more employers. It is one of the great tragedies of Wallonia.

## NATIVE INDUSTRY HAS ONLY SMALL SHARE IN NORTH SEA OIL

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jun 83 p 7

[Article by Jens Olaf Jersild]

[Text] Together the Danish Large Agricultural Products Company and the Denmark Oil Company hold only 2.5 percent of the shares in the new North Sea consortium which will bid in the fall on the areas that have been opened up for oil exploration. The foreign participants are the big British company, Britoil, which will be the group's operator, and the American giant, Amerada Hess. Each owns 48.75 percent.

As far as DLG [Danish Large Agricultural Products Company] is concerned, this means "several million" in the exploratory phase, as the cooperative firm put it and there will be new investments of over 100 million kroner if the exploration leads to such positive results that oil extraction is decided on.

"But then there should be guaranteed profits," said DLG director Bent M. Hansen at a presentation meeting yesterday. There DLG explained that the millions for exploration expenses will be written off on the current balance sheet, but that the multimillion sums needed for production would be borrowed abroad if that became necessary.

## Helpful

In response to a direct question at the meeting, Britoil director for its international division, Dr Malcolm Robertson, said that it was quite helpful for a foreign investor dealing with a Danish energy minister to have small Danish partners involved. "But we would like to include the Danes under any circumstances," said Malcolm Robertson.

DLG chairman, farmer Martin Nielsen, rejected at the meeting a humorous question as to whether the modest millions for exploration had been taken from the product company's advertising budget.

"We wanted to take part for national reasons and to show the ability of the cooperative movement to invest in risk ventures. We already work with the Denmark Oil Company on delivering energy for agricultural purposes. Our shareholders expect us to supply energy. And we can always hope that we

will find oil. If oil is found, the profits would benefit the shareholders," Martin Nielsen said.

The Denmark Oil Company, which is closely affiliated with FDB [Danish Co-operative Wholesale Society], is operating in the oil-exploration context under the English name of Danoil. The Denmark company has shown great interest in a bigger Danish oil involvement in the past--among other things, when it purchased DONG's [Danish Oil and Natural Gas] Saudi oil.

#### Wildcat

Of the oil fields, Britoil director Malcolm Robertson said that they could be divided into two areas:

"One of them (the Central Graben area) has become quite well-known, while the other (the rest of the offshore and onshore area) is a so-called wild-cat area. But of course we cannot say where we expect to find oil," said Malcolm Robertson, who would not rule out the possibility that they might want to bid on blocks that included land-based drilling opportunities. "But knowing what we do today, we could indicate the spot where we would begin exploratory drilling in the Danish part of the North Sea, as long as we had a single day's advance notice."

Under the agreements, the Danish partners have pledged to make investments corresponding to their 1.25 percent share each in the consortium, but where the small Danish partners are concerned, the big foreign companies are prepared to postpone payment of the big production investments until repayment can be made in the form of oil.

6578

CSO: 3613/139

## PS FACTIONS SPLIT ON PROTECTIONISM, DEVALUATION

Paris LE NOUVEL ECONOMISTE in French 13 Jun 83 pp 32-33

[Article by Jean-Claude Hazera: "Mr Mitterrand and His Currents"]

[Text] The president has confirmed his support for the government's policy. The margin for maneuver by the factions most critical of the PS is becoming a little narrower.

"There is no policy of replacement." This key sentence spoken by the president of the republic on Antenne 2 on Wednesday evening was designed to lift the ambiguities after a fortnight of unrest in the majority. From Jean-Pierre Chevenement to Georges Marchais, the majority's entire left wing was sharply criticizing the economic policy conducted by the Mauroy-Delors team. Going right up to the front line--"I consider myself the person primarily responsible," the president said with regard to the police--Francois Mitterrand wanted to reduce the dispute to more correct proportions while at the same time refraining from negating the anxieties that it expresses. "The government's policy is necessary," but "not everything is always as correct as I would like." "Nothing should be abandoned--either the fight against inflation or the fight against unemployment." As for the critics, he calls on their sense of responsibility so that they will "not risk compromising the national impetus"--or the franc.

Seen from a distance, from an exchange office in Tokyo or New York, discord is never good, and one understands why the minister of finance considers that this hubbub is harming his confidence efforts. Seen from close up, it is highly exaggerated to predict the imminent breakup of the majority. For the Communist Party, it is "comfortable to criticize while at the same time remaining in the government," as Mr Delors and the president himself note, and as is implicitly recognized by Georges Seguy when he speaks of "adversary participation. In private as well as in public, the Communist officials are manifesting their intention to remain in the majority. On the PS side, it is sufficient to compare the current moderation of the Rocardian texts with Michel Rocard's short sentences of the end of 1982 in order to have a relative idea of the disagreements. Furthermore, Mr Chevenement, barely back down from his platform, made a point of specifying that there was nothing to rule out the possibility of a reconciliation, at the Bourg-en-Bresse congress in October,

with the party majority, to which he has belonged since the Metz congress (April 1979). It was also in order to preserve the chances of a left-wing majority that Pierre Joxe expressed himself.

What is at stake, in effect, is the establishment at the head of the party of the policy applied since March--in other words, the Delors-Mauroy policy supported by Mr Rocard. Has it already been played? Let us imagine that the contribution submitted by the CERES [Center for (Socialist) Studies, Research and Education], as well as by the other currents, on 30 June is making headway among the militants, that it seems close to attracting 25 percent of them (the weight of the CERES at the Nantes congress in 1977), rather than the 15 percent that it has represented since the Metz congress. Would the government, and especially the president, remain insensitive? Events may also add their weight to the questions of the militants. If the government has trouble achieving the objective of 8 percent in the area of prices, for example, the CERES would have a fine time pointing out that it recommends more severe price control.

Clumsiness--This weight of events would be particularly strong if France were to suffer a new exchange crisis. In publicly evoking the possibility of an additional devaluation, the leader of the CERES made a clumsy move for which he has been bitterly reproached, but he pointed out in particular that in March, the president had wondered about the way to follow. There is nothing to prove that he would not go the same way in a similar case. Furthermore, while the CERES text defends in circumstantial detail "a system of automatic and monthly readjustment in function of the inflation differentials observed"--and if no agreement were possible on this subject, withdrawal from the EMS [European Monetary System]--the text from faction A (Mitterrandist) remains prudently silent. It is not, of course, in the interest of the faction closest to the government to promise that France will stay in the EMS. Nevertheless, in a little-noted passage in his Pre-Saint-Gervais speech, Mr Mauroy went farther by declaring that the EMS should not constitute a taboo. But for him, the central question does not lie there.

The central question--everyone agrees about this, at least--is protectionism. Is France condemned, by virtue of its foreign exchanges, to follow the classic economic policies of its principal partners? No faction declares itself to be frankly protectionist. The CERES speaks of an "aggressive policy on imports so as to fill in the gaps in national production," and in the short term only, some "conservative measures: quota system, prior deposits, etc." But neither does anyone declare himself an unconditional partisan of free trade either, except for the "dissident" Rocardians, rallied around Alain Richard, deputy from Val-d'Oise. They reject all protective measures, even temporary ones, while the "official" Rocardians prudently avoid "theological quarreling." Prudence that transforms into a nuance with the Mitterrandists. While one finds here a rejection of the "bedroom muscle-building" dear to Mr Delors, there is also talk of "organized" trade exchanges, of the "import policy" that the state should implement, of the market sections that should be "shifted" and of the necessity of a "decrease in consumption of foreign products."

All these nuances are the product of the negotiation being conducted on the basis of Mr Jospin's text so as to get it accepted by Messrs Goux and Joxe. even if they can be read as one likes, even if the government can pretend to

see in it nothing other than what it is doing, as Mme Edith Cresson said in substance on Europe 1 last Sunday, the idea of a certain "dose" of protection is there. It is indispensable in order to be able to assert, as Mr Mauroy does to Mr Chevenement, that in fact "there is no other policy." It can become indispensable if the rebalancing of the trade balance should prove more difficult than expected, its defenders consider. This point somewhat conditions all the rest.

The rest is growth, and especially employment. Is the deflationary policy adopted in March only a "parenthesis," a "stage," a transitional concession to the current economic situation, or is it the "turnaround," to use the expression introduced by Mr Mauroy at the National Convention, is it definitive, as is desired by Mr Richard and his friends, who are taking up the theses on moderate growth dear to Mr Rocard? For the CERES, there is no doubt. That is why Jean-Paul Planchou, rapporteur of the first Plan Law last week in the Parliament, is endeavoring to demonstrate that behind the fuzziness of its presentation, the Ninth Plan is tending to confirm the present policy definitively.

The draft Ninth Plan "is the ideological cousin of the Delors plan," says Philippe Herzog, going it one better on behalf of the Communist Party. On the first Plan Law, the battle seems destined to take a sharp turn, both because the possible eventual protagonists consider the text too fuzzy and because the Parliamentary calendar no longer makes it possible to afford a battle of amendments. But the fundamental criticism is presented in the contribution from the CERES no less than in Mr Planchou's report: it is not possible to revive investment while at the same time putting the brakes on overall demand. This is doubtlessly why Mr Delors stresses so emphatically, notably in his interview in JOURNAL DU DIMANCHE, that he believes he perceives signs of investment recovery and optimism among the industrialists. On this point, the deputies will obtain several guarantees, in terms of figures, in the Plan.

The president has confirmed his bearing, but it is impossible to ignore the currents.

11267  
CSO: 3519/540

## NATIONALIZED FIRMS RUE LACK OF STATE CONTACT, SHOW LOSSES

Paris L'EXPANSION in French 4-17 Mar 83 pp 50-56

[Article by Herve Jannic: "The Nationalized Firms: They Are Angry, They Are Complaining, But They Have Endured Other Misfortunes"]

[Text] "Nationalizations? A catastrophic legacy bequeathed to officials who today find themselves at the head of the biggest industrial conglomerate in the world but do not know how to control it. A catastrophic legacy because all the firms recently nationalized except one, the CGE [General Electricity Company-?] are on the verge of bankruptcy. A mismanaged legacy because the Left does not have the wherewithal for implementing a true mixed economy policy, which implies the state's total commitment to major industrial maneuvers. In nationalizing, the Left was inspired by an old feeling of bitterness toward industry. The nationalizations the government decided on are, therefore, worse than sanctioned nationalizations; they are nationalizations out of resentment. Resentment on the part of intellectuals vis-a-vis industrialists, post office employees vis-a-vis workers, teachers vis-a-vis engineers, high officials vis-a-vis company directors, those with cushy jobs vis-a-vis those who struggle for a living, in short a behind-the-scenes France vis-a-vis an exposed France."

Another item: "Bureaucracy, social explosion, freezing of investments abroad, confusion of staff personnel, ukases by the administration, suspicious attitude toward international public opinion, all these fears that could be nourished on the eve of these nationalizations have shown themselves to be unfounded. The establishment of a real dialogue with the labor unions is a positive element. The new stockholder understands and is meeting the funding needs of these firms. Day-to-day relations with the administration are instead less strained than they were with partners in the discussion in the past like Francois de Combret (at the Elysee), Andre Costa de Beauregard (at the Matignon) or Jean-Pierre Souviron (at the Ministry of Industry). On the whole, an observer who had fallen asleep in 1981 and awakened today would be pleasantly surprised."

These commentaries, which are at least at odds with one another, were not taken from a political showdown pitting department ideologists against one another; they come from the mouths of managers of the recently nationalized firms. That gives us an idea of how hard it is to make a general statement about the "group of six" (PUK [Pechiney-Ugine-Kuhlmann Company], Saint-Gobain, Rhone-Poulenc,

Thomson, CGE, CII-HB) a year after they were actually taken over by the administration.

Let us, nevertheless, attempt to answer a few essential questions. Is the new spearhead (sales volume of 255 billion francs, 650,000 salaried employees) of French industrial policy in the field of tempered steel or papier mache?

What is the nature of day-to-day relations between the six and their new guardian? Do the labor unions now believe that they are in an occupied country? Do the companies have enough freedom to maneuver to negotiate and apply their strategy? Will the tens of billions that have to be invested there come in time?

The very first thing in order is a general accounting. With the exception of the CGE, which has always chalked up results that were, if not brilliant, at least honorable, it is true that the legacy was catastrophic. The evolution of net cumulative results for the six over a period of 3 years gives one the shivers: up 721 million francs in 1980, down 2.4 billion in 1981 and down 6.6 billion in 1982. Ever since the nationalization procedures were set in motion, the government has strongly emphasized the deplorable situation the firms in question are in. Many observers, who remembered the balance sheets they turned in for 1980, all positive except for Rhone-Poulenc, at the time accused the government of painting an exaggeratedly black picture for political purposes. An unjust accusation, even if the socialists were right without knowing it, since the fruit was already worm-eaten.

The commentary of the new head of one of the nationalized groups: "The process of deterioration of a company is very slow. It evolves in six stages: incompetent director, poor operational teams, mismanagement, poor strategy, deterioration of cash flow, appearance of losses. The damage remains concealed for years and only a practiced eye can detect it." The fact is that four companies out of six went into the red in 1981 and five out of six in 1982.

Saint-Gobain Saved by the Gong

Strategic error, a slowdown in international activity, difficulties in various sectors, the sclerosis characteristic of French industry, the causes of this almost general collapse are many and varied.

For Rhone-Poulenc "basic chemical" and "fertilizer" operations suffered from the energy crisis, while the restructuring of the textile industry continues to cost a fortune. The result: nearly 2 billion francs in losses in 1980, 335 million in 1981 and probably 500 million in 1982. The firm is in debt to the tune of 16 billion francs and its financing costs amount to 2.6 billion, or 7 percent of its sales volume.

As for PUK, bled white by its steel mills (2 billion francs in losses in 4 years time) which have now been turned over to SACILOR then by its chemical plants (885 million in losses in 1981) which it is also going to get rid of, now it is its aluminum division that is listing. World demand dropped by 6.5 percent last year, whereas 2 years ago the experts were

counting on a growth rate of 4 percent a year. After having lost 2.5 billion francs in 1981, the group might well lose nearly 3 billion in 1982. It is now very heavily indebted and its financing costs (2.2 billion francs) are in excess of 5 percent of its sales volume.

At Thomson, which for a long time showed a profit thanks to its industrial electronics division, serious disappointments were registered in the telephone (230 million francs in losses in 1981) and medical equipment (400 million in losses) divisions. Elsewhere, the sharp drop (down 30 percent) in orders from the military coming from abroad meant a corresponding drop in prefinancing payments, thus funds. Not everything is smooth sailing in the electronic equipment for the general public division either, since the restructuring of Videocolor — which manufactures cathode ray tubes — cost some 250 million francs. In short, Thomson has gotten itself into the red (168 million francs in losses in 1981, 2 billion in 1982) and is nowhere near getting out of it.

For Saint-Gobain the data-processing gamble turned out to be ruinous, as the deficits recorded last year by its two specialized ex-subsidiaries demonstrate: 400 million francs for Eurotechnique, now reincorporated by Thomson, and 1.3 billion francs for CII-HB, today controlled by the state. Which led a familiar of the group to say: "Saint-Gobain could never have plugged such holes up. Roger Faroux ought to thank the socialists; he was saved by the gong." Naturally, one who has an interest in the company disputes this interpretation: "CII-HB and Eurotechnique have been lying fallow for 18 months. In this business immobility is costly. Moreover, our data-processing strategy only made sense in terms of maintaining our participation in Olivetti and respecting the agreements entered into by CII-HB and the American firm of Honeywell."

A word about CII-HB, referred to above. Its current managers describe it as a company without its own capital, handicapped by a terrible past and endowed with a range of incongruous products. The firm has only survived these past few years by getting deeper and deeper into debt. Its financing costs represented 4.2 percent of its sales volume in 1980 and over 7 percent in 1981. They are talking about 9 percent in 1982 and anticipate 10 percent for 1983. Steel industry percentages!

All things considered, it is clear that the government did not make a sound transaction in nationalizing these six companies. "The Right has fobbed a pig in a poke off on the Left," the director of one of them baldly charges. In fact the gloomy picture the government painted the day after the 10 May 1981 was still too optimistic. This no doubt explains the change of tone that has since occurred in official forums. There is no longer any question of transforming lame ducks into fiery chargers with a wave of the magic wand, even if it were made of rosewood. They now admit that it will take years and tens of billions of francs to climb back up the slope.

"Above All, We Must Not Be Afraid"

Overnight, six industrial firms — and not the smallest either — found themselves with a new owner: the state. But what is the state nowadays if not officials inclined — and there is nothing new about this — to stick their

noses into everything and invested — and this is new — with the veritable authority of a guardian? We might, therefore, fear the worst, but it is generally agreed that that has not yet happened. "They sometimes come close to the limits of the intolerable, but never go beyond them," several managers maintain. In fact the nature of relations between the six firms and the administration depends on both the temperament of the owner and the degree of the firm's financial dependence on the state.

They appear to be fairly satisfied with the management of the CGE: "Considering the very capitalistic image of our group and Ambroise Roux's personality, we thought we would be more threatened than others. But in fact we enjoy a relative immunity which is no doubt due to the overall prosperity of the firm and a decentralized organization. Moreover, our large subsidiaries, like Alsthom-Atlantique, CIT-Alcatel or the SGE [General Business Company-?], are listed on the stock exchange. There is no question of imposing just any old conditions on us. So far we have not swallowed anything that is irreparable. The administration's many whims have been parried. No one has forced us to do what we didn't want to or couldn't do. Having said that, I can tell you that the work sessions with officials are exhausting and certain department heads odious."

Relative calm at Saint-Gobain as well: "Our activities are too conventional to excite the mob and we are not in such great need of money that we would have to lay siege to the Ministry of Industry. Under the circumstances, the bureaucrats scarcely have any hold over us."

Such forbearance with the administration is less marked in those firms that are in trouble. "To beg for alms from underlings who think they are God, the Father, is no fun every day," they point out at Thomson. At the level of the directors, each feels that he will in any event get himself out of trouble better than his neighbor. Those who have 20 years in the industry behind them explain that their experience will enable them to impose their views. Those who come from the administration on the contrary think that the local contacts they have maintained will make life easier for them. All of them emphasize that one must make a show of firmness. "Above all, one must not be afraid," one of them asserted. A current observation: "The higher you go on the organization ladder, the better you're understood. You have to at all costs avoid the petty bureaucrats who run the machine."

#### Exhausting Gymnastics

Unfortunately, contacts with the administration rarely take place at the top level. Jean-Pierre Chevenement and even Louis Gallois, the director general of the Ministry of Industry, are practically inaccessible: "As soon as one sets aside the great principles and we start to talk about specific issues, a second-string official steps on stage," they say at Pechiney. A significant anecdote: When he left the Ministry of Industry, where he was a technical adviser, to become secretary general of Rhone-Poulenc, Michel Vaquin was heard to say by his new collaborators: "There is a very influential man with whom you will have to reckon, Mr X. Watch out for him." The tip duly noted, Mr X

turned out to be nothing but one official among others at the Directorate of Chemical Industries.

Relations between the administration and the nationalized companies were particularly strained between the end of 1982 and the beginning of 1983, the period corresponding to the drafting of "company plans" which, once approved by the Ministry of Industry, were transformed into "operating contracts." These company plans are very detailed since they must include an account of the national and international macroeconomic assumptions to be borne in mind in preparing forecasts computed on the basis of a median term, the presentation of the firm's current activities, the objectives to be achieved (products, markets, diversification, research, professional training, social relations, energy savings,...), the effects of involvement expected to work in favor of small and medium-sized businesses and, of course, the financial implications for the group and its chief subsidiaries. A real puzzle!

The preparation of these plans has involved a dozen 4-hour sessions for each company. And this without counting the passing back and forth of reports, additional requests for clarification and the surprise notices of meetings at the ministry. Certain plans judged to be inadequate were rejected (for example, they say, the CII-HB plan) and they had to start all over again from scratch or practically so.

The reaction of one director: "Exhausting gymnastics! It is only normal for the government — like any stockholder — to know where we're going and what we want, but abnormal for us to have to negotiate complicated proposals with partners in the discussion who are often incompetent and always touchy." A reflection heard at Thomson: "Now I realize that only industrialists understand industrialists."

Another source of friction: the recapture of the domestic market. An avalanche of intrusive attempts crashes down on the companies to urge them to "buy French." Is such-and-such an order for a Japanese machine tool really necessary? Why do you use German panel trucks? Isn't there a French equivalent for the data-processing equipment you want to buy from the United States? Some, it seems, go so far as to ask where the office furnishings come from.

The administration's excesses have been so extreme that directors who enjoy favor at the top have complained directly to the Elysee. Hence the warning issued by Francois Mitterrand himself in early February at a Cabinet meeting: "The president of the republic firmly reminds you that the requirements of a coherent industrial policy must be protected against hair-splitting bureaucratization." If the shoe fits, wear it!

Incessant, exasperating, but generally limited to subordinate issues, the inroads of officials have on the whole been stopped. But what about pressure from the labor unions? There too, there was every reason for fear. There are several reasons why: Politically, the CGT [General Confederation of Labor] and the CFDT [French Democratic Confederation of Labor] have now sided with those who have the upper hand; these organizations hold several seats on the

boards of directors; company plans have given rise to a "broad internal debate"; as employees see it, equitable nationalization guarantees employment; and lastly, rapidly losing ground in the country, the Communists want to regain their position in the companies, which has been usurped by the CGT.

#### No Outbursts at the CGE

Once again, the CGE's general staff is unique in terms of its relative calm: "We have not observed any outbursts, despite the fact that our group was never a champion of social opening. Why, only 2 years ago, when a union delegation appeared on the Rue La Boetie, they padlocked the three barred entrances to the main office and posted sentries at the windows. Remember too the blows Henri Krasucki and Ambroise Roux traded with one another on television just before the presidential election. A veritable public dialogue has, nevertheless, been established in the business world and we are so much the better for it. We have in this way avoided quite a few staggering blows in certain plants that were in trouble. With such a policy, we might have quietly settled the serious social crises that erupted not long ago at Belfort, La Courneuve, Saint-Brieuc and Clichy. Now that I've said that, there could be explosions at any time."

Still regarding the CGE, the union officials who sit on the board of directors are considered to be sober and reliable: "They talk a lot, with the result that sessions last for 3 hours instead of one. But they understand that the company's goal is to finance its development and turn its dividends over to the state. Of course, you sometimes feel like smiling when you see them sitting around the gaming table. But some board of directors meetings, as they are still conducted in the private sector, are considerably more ridiculous since they are reduced to reading the minutes and exchanging congratulations."

At Rhone-Poulenc the situation is less idyllic. During Jean Gandois' reign, up until last summer, we were even witness to confrontations between the management and the unions. It is true that the obvious overstaffing shown to exist in certain plants, as at Roanne, Colmar, Besancon or Avranche, leads us to predict painful layoffs. The CGT has, however, changed its attitude since Loik Le Floch-Prigent has been heading the group. We are assured that the new company director does not allow himself to be impressed by interference from the unions. Note that this ailing company has in point of fact just granted a sixth week of paid vacation.

At Thomson, while Alain Gomez is a shock-action boss, he is just as imperious with the unions as with his staff, which is saying a good deal. This remark has been attributed to him: "When the hotheads get too ambitious, I climb into my submarine and batten down the hatch." That did not stop him from reversing his decision to close down CAMECA, a small subsidiary that specializes in microlithography, as a result of union pressure. Which is to say that the most resistant of shells sometimes have cracks.

The big problem with the nationalized companies is the fact that the unions pretend to take the guarantee of employment for granted. Now the process of putting certain particularly run-down industries (chemicals, textiles) on a

sound footing must of necessity be accomplished by manpower reductions. But how are you going to fire people when the prime minister himself has promised that there will be no layoffs without prior reclassification? This assurance places extreme constraints on employers and is, moreover, not always sufficient to speed up reductions. Thus at Roanne Rhone-Poulenc salaried employees, who have been offered jobs in private industry, will have none of it because they refuse to lose what they regard as government worker status!

At PUK the unions go even further. Their dream is to acquire EDF [French Electric Power Company] status, an objective which would in their eyes be attainable if the EDF were to share in the company in exchange for preferential rates!

We must admit that up until now the unions have not launched big social movements in the recently nationalized companies. That is no doubt a matter that has been deferred. Actually, the transfers of operations among groups planned by the Ministry of Industry (for example, the reassumption of TRANSAC [expansion unknown] by CII-HB, of Eurotechnique by Thomson and of PUK's chemical division by Rhone-Poulenc) have not yet been effected. Now these transfers of lame ducks will inevitably be accompanied by layoffs since the "reassuming" groups are interested in obtaining additional shares of the market, not supernumerary manpower. Delicate maneuvers are, therefore, to be anticipated between the time these overloaded boats leave their home ports and the time they arrive at their new destinations. The unions are well aware of this and are on the lookout for danger signs.

Prepared under conditions that were not always exemplary, the company plans have ended up by leading to operating contracts that define both the median-term strategies of the six industrial groups and — on the dotted line — the state's financial commitments to its new wards. What are these strategies? What methods will they require?

As usual, the CGE constitutes a separate group. No change of direction. Telecommunications, public works, electromechanics and shipbuilding will continue to be its strongpoints. The firm plans to raise its sales volume by 35 percent in constant-value francs in 5 years time. During the same period its activities abroad (which already represent 40 percent of its sales volume) will be multiplied by 2.5. This rate of growth implies an average of 4 billion francs a year in investments, an effort the CGE is capable of financing thanks to its resources. This will not keep it from demanding capital from the government: "Participating loans are all very well, but what we need from now on are our own funds." Message received. The firm is going to get an appropriation of 875 million francs.

As for Rhone-Poulenc, relieved of its "fertilizer" activities and soon to be expanded through some of PUK's chemical assets, the objective is to clean up the textile sector and strengthen its operations in basic chemicals (except petrochemicals), delicate chemicals, health (pharmaceuticals, veterinary products, animal feed), agrochemistry and magnetic memory tapes. There is nothing really new in all this (with the exception of the dumping of fertilizers) in connection with Jean Gandois' policy. Therefore, no industrial choice problems,

but enormous funding needs because, in addition to the "textile" debt, the modernization of production plant (which will require countless investments, each of which will involve several tens of millions of francs) and buying into interesting opportunities abroad will require a capital outlay of 3 billion francs a year, 2 of which will have to be urgently supplied by the government. "This is a minimal requirement on this side of which we will continue to vegetate." He has just been granted satisfaction, or almost so, since the government has committed itself to spending 1.8 billion francs as of this year.

For Thomson the great novelty lies in the fact that it has established itself as a participant in this French electronics sector that has been making the government water at the mouth for 18 months now. Once the truth of this is confirmed, it is difficult to predict in which directions the group will evolve. As far as electronic equipment for the general public is concerned, the stage is completely occupied by negotiations with Grundig: Will the anticipated agreement be approved on the other side of the Rhine? If the answer is yes, could Thomson acquire 75 percent of the stock? Who will pay for the amount involved in the transaction? How much will have to be added to modernize Grundig? Any number of questions as big as houses that remain unanswered. As far as industrial electronic equipment is concerned, there are certainly no fewer questions. Should the medical sector be restored to prosperity in terms of a French or Franco-American approach? Will diversification -- a laborious business -- in the telephone sector require or, on the contrary, block the recovery of the CGCT [Compagnie Generale de Constructions Telephoniques] (an ex-subsi-diary of ITT)? Is the redemption of Eurotechnique a sound operation in view of world overcapacities in the components sector? In short, there is no shortage of uncertainties.

"One thing is certain," they say at Thomson, "and that is that it will take us from 3 to 5 years to climb back up the slope the group has gotten itself onto as a result of the false maneuvers of the past. And it will take twice as long for the firm to be competitive in its new markets. In the short run, moreover, the situation can only get worse: We could live with our fiscal year 1982; 1983 may be terrible!" Then too, we realize that the government is no amateur at this game. Hence the semi-disappointment following the granting of 1.6 billion francs for 1983.

As for PUK, now reduced to Pechiney since the Ugine steelworks and Kuhlmann chemical plant have -- or are going to -- put out to sea, the question is to find out how to avoid being trapped in the "one-crop situation" of aluminum. That is not to say that this sector is condemned. In time we should witness a recovery of the market, which explains why the group is in the process of making major investments in Canada. It is even possible that some French plants may again become profitable (6,000 jobs are at stake) if only the EDF invests in them. All the same, PUK should now diversify at top speed to make up for lost time. Two routes are possible since the group already feels at ease: the conversion of aluminum and nuclear fuels. But these activities today represent only 20 percent of its sales volume. As long as diversification is not implemented and the aluminum crisis lasts, PUK's annual losses will continue to be counted in billions of francs. It is, of course, up to the government to see to it that the gap is bridged, which is what it has just done by making 2.4 billion francs available.

## From Sports Coach to Welfare Worker

Diversification, that is also the key word today at Saint-Gobain since it has been stripped of its data-processing division. It will now have to find another charger, if possible one that is more dynamic than its usual activities: glass, insulation materials, pipes, brassware, cardboard. They say that it is thinking a great deal about industrial services. But what exactly is involved? As regards the government, they are ironic: "As for Saint-Gobain, imagination is not in the driver's seat. They are waiting for brilliant suggestions. There is at any event no question of financing just anything at all." The conclusion: The group will have to be satisfied with 750 million francs this year.

As for CII-HB, they want to turn the errors of the past and the new market tendencies to account in order to define a new strategy that should lead to financial stability in 1986. "Our predecessors' mistaken bright idea," the company managers explain, "was to have wanted to imitate IBM without having the means to do so. The result: We are today too small to engage in general data processing and too big to be satisfied with exploiting a few juicy loopholes. Fortunately, the market is now exploding, both quantitatively (the rated capacity of the data-processing plant will increase by 45 percent a year) and qualitatively. The entire society is going in for computerization, thus gradually reducing the relative importance of management computers and at the same time extending preference to small systems and software. Hence the chance to, if not get in on the ground floor, at least benefit from opportunities equal to those open to the competition, specifically IBM, which will also have to completely revise its equipment."

Without abandoning its positions in the management computer field, CII-HB will, therefore, direct its efforts toward distributed computerization (minicomputerization and microcomputerization, office automation, terminals, etc.), peripheral items and data-processing services in the broad sense (software, technical assistance, training). This redeployment will if necessary be guaranteed in cooperation with firms outside the company, whether they be French (like Thomson) or foreign (not only Honeywell). In short, the accent will be on product quality and provision of services. "There is a lot that remains to be done in that area to restore our brand-name image," they admit at the company's main office. The cost of the program: at least 4 billion francs between now and 1986, 1.5 billion of which will be paid by the government as of this year. It seems it is impossible to do anything at all of importance for less money.

About 9 billion francs, that is the amount of the check the government has finally just signed to the order of the group of six. It is considerably less than the interested parties had hoped for, but bed-ridden patients like CDF [National Coal Board] Chemicals, USINOR and SACILOR also had to be nourished -- and even more copiously so. All this adds up to a great deal of money, a large part of which will serve more to finance rescue operations than to prepare for the future. So, from the sports coach it wanted to be, the state is now forced to play the role of welfare worker.

Actually, the government has belatedly become aware of the gravity of the economic climate and the difficulties the firms it has taken over are having. Let us listen to the analysis of a company director who can hardly be suspected of sympathizing with the former system: "The officials who govern us still believe in a sound vessel propelled by favorable winds to the gentleness of the Fiji Islands. They refuse to comprehend that they are on an old tub full of holes in the middle of a storm with an engine that has conked out. It's impossible to get them to admit that it's not merely a matter of adding a few shovelfuls of coal to the fire to get up a head of steam, but of repriming the pumps that are keeping the vessel from running." The same director went on: "To assure the success of the nationalizations, we would have to engage in a vast financial mobilization and have the courage to make choices. The government would have to realize that it cannot afford to accumulate strategic priorities. Don't talk to me about strategy any more; that word makes me sick!"

The administration is not ignoring these accusations and has begun to display its petty vanity a little less often: "It's true that they have abused the term, industrial strategy, with a capital S. Only the electronics sector deserves that designation. As for the rest of them, it's simply a matter of proposing a framework to develop them in. Even the term, industrial policy, is too ambitious. Let's be content with talking of industrial reflection. It is also true that we are not selective enough in our priorities. Like, the officials too, they have to serve their apprenticeships."

#### Businessman, a Difficult Occupation

It is still too soon to assess the strictly industrial consequences of the nationalizations that were passed a year ago. We can, however, make a few observations.

The profound — therefore old — difficulties the companies concerned are in prove that their former managers are deserving not only of congratulations. With regard to this, the government is not wrong in questioning the effectiveness of management in the past.

The interventions of the new stockholder and certain labor-union pressures do not seem to be of a kind that would facilitate the hoped-for recovery, even if they have not — for the moment — in an overall sense given rise to incurable freezes.

The administration is gradually becoming aware of the fact that the occupation of businessman is not an easy one. Nevertheless, it has not concluded that it is not its occupation. On the other hand, it is discovering that money is a rare commodity.

On the whole, the socialists industrial gamble has not yet been lost. But the game is far from being won.

# C11-Honeywell-Bull

## Rhone-Poulenc

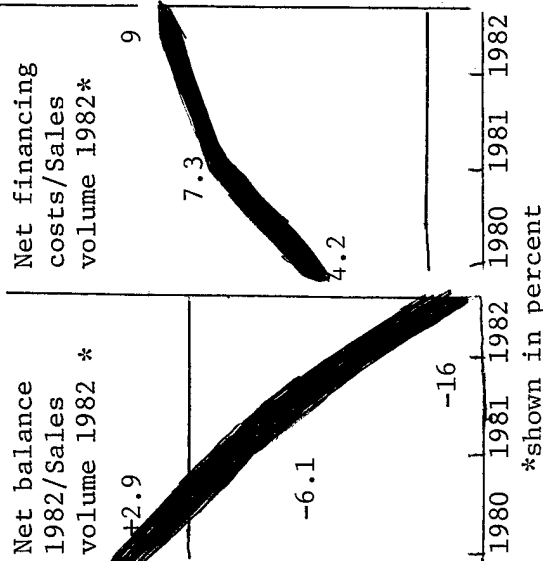
## Saint-Gobain

Director: Jacques Stern  
(photo omitted)

Sales volume 1982: 8.1 billion francs

Net balance 1982: -1.3 billion francs (estimate)

Manpower: 21,000 salaried employees

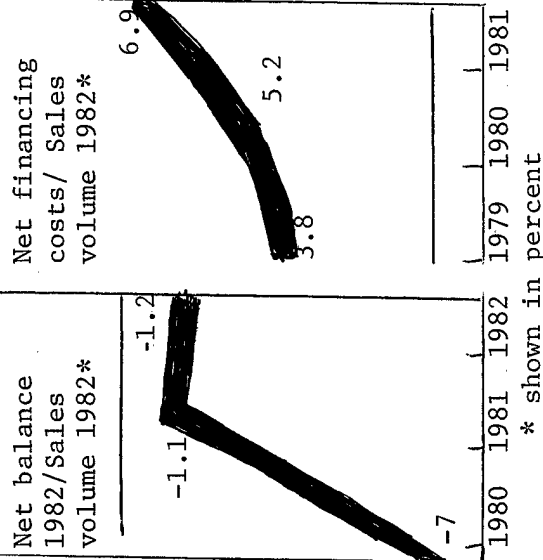


Director: Loik Le Floch-Prigent  
(photo omitted)

Sales volume 1982: 41 billion francs

Net Balance 1982: -500 million francs (estimate)

Manpower: 90,000 salaried employees

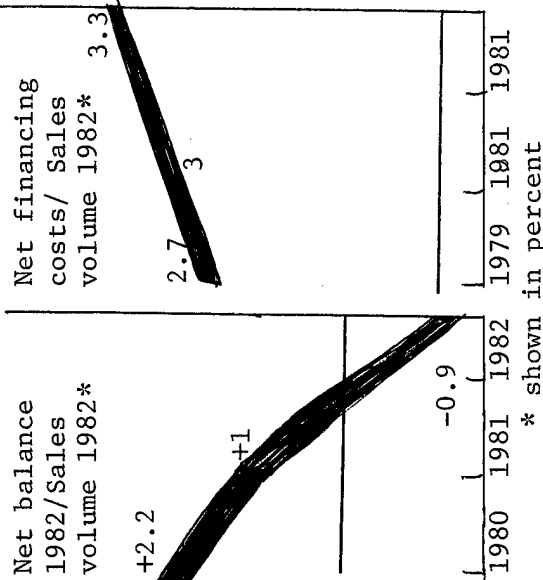


Director: Roger Fauroux  
(photo omitted)

Sales volume 1982: 48 billion francs

Net Balance 1982: -450 million francs (estimate)

Manpower: 135,000 salaried employees



Thomson

CGE

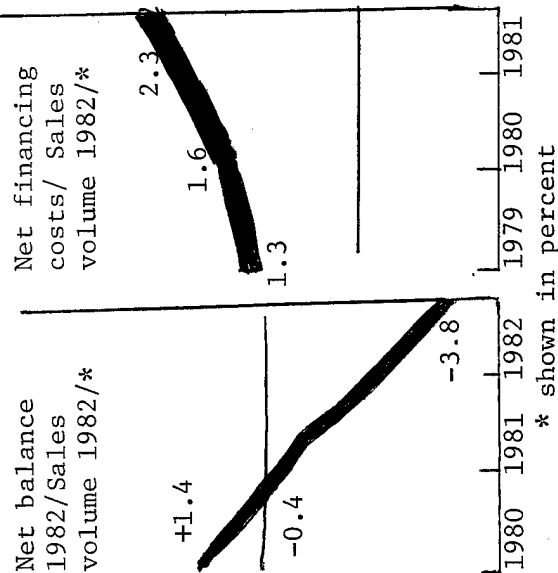
Pechiney Ugine Kuhlmann

Director: Alain Gomez  
(photo omitted)

Sales volume 1982: 52  
billion francs

Net balance 1982: -2  
billion francs  
(estimate)

Manpower: 130,000 salaried  
employees

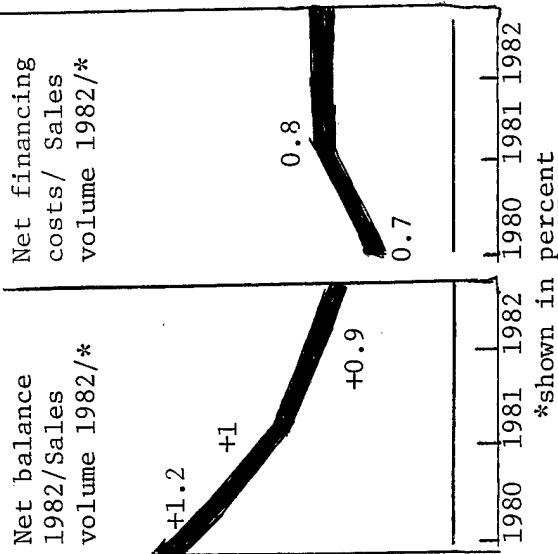


Director: Jean-Pierre Brunet  
(photo omitted)

Sales volume 1982: 86  
billion francs

Net balance 1982: +600  
million francs  
(estimate)

Manpower: 190,000 salaried  
employees

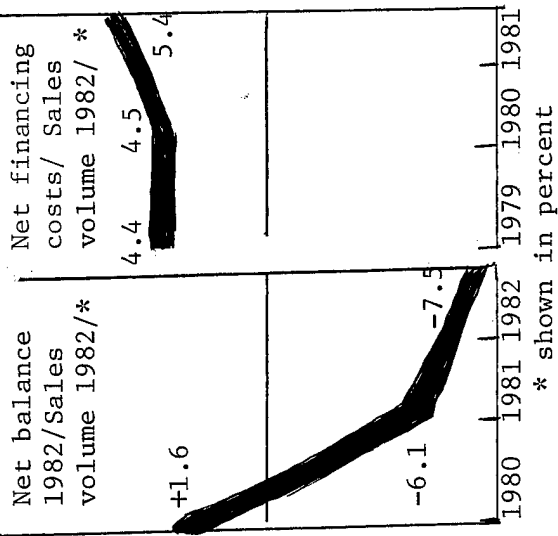


Director: Georges Besse  
(photo omitted)

Sales volume 1982: 40  
billion francs

Net balance 1982: -3  
billion francs  
(estimate)

Manpower: 80,000 salaried  
employees



On the whole, the financial statements of the six nationalized groups are very mediocre, at times even catastrophic. With the exception of the fundamentally sound CGE and, to a lesser extent, Saint-Gobain — whose balance would be positive aside from the data-processing division — the state's new wards are off to a poor start. Their heavy indebtedness and deficits presuppose massive injections of capital which will serve more to plug up holes than to update plant. The taxpayer has not finished paying for this!

11,466  
CSO: 3519/500

## PAPER ENCOURAGED BY NEW GOVERNMENT'S POLICY TO EASE CONTROLS

Reykjavik MORGUNBLADID in Icelandic 22 Jun 83 p 16

/Editorial: "Price and Foreign Exchange Decontrol"/

/Text/ When the rehabilitation of Icelandic economic life began some two decades ago under the leadership of a government of the Social Democrats and Independence Party, hard economic measures were put into effect that constricted people's living conditions. The labor movement was, however, pleased with everything that had been decided even without special consultation with it and the labor movement considered itself to be in a strong position in terms of the measures. However, Hermann Jonasson resigned for himself and his ministry in December 1958, after the Icelandic People's Alliance blocked his actions. The Government of Rehabilitation was successful in carrying out its initial proposals and later won for itself the special trust of the labor movement and so much trust of the people that during the period 1967-1969 it had the strength to lead the Icelandic people in the struggle against violent economic pressures. For those that now stand on the political firing line and for a government that has passed from memory without having had much of an impact there is the need to recall to mind the fact that the Rehabilitation Government did not shy away from aiding the public at the same time that it insisted in this regard that the people not live beyond their means, not be up to their necks in a morass of debt or be destroyed by runaway inflation. That which gave rise to the greatest interest among the people was imports decontrol. Those Icelanders who have been born in the years of the republic have consequently little or no conception of what a great relief it was when the age-old rationing and restrictions system was done away with. People now think it a God-given right to import whatever they wish but before 1960 they would have had to go to the waiting room of the Public Rationing Administration to gain its approval for the small things as well as the large. The Rehabilitation Government, however, did not go all the way towards a decontrolled economic system. Still required were price decontrol and currency freedom. During the past 20 years some freedom in these two areas has been allowed but fundamentally the pricing and currency systems of Iceland are based upon outdated concepts. The Party willing to go the farthest towards freedom, the Independence Party, has not had anything to do with pricing and currency matters in an Icelandic government since 1956. With the establishment of the government of 26 May there has been a major turning point with Matthias A. Mathiesen, first on the Independence Party list

for the Reykjanes Electroal District, taking over the Ministry of Trade. It has been noted in MORGUNBLADID that the Ministry of Trade is to some extent unnecessary. Experience has shown, for example, that foreign trade would be better off under the Ministry of Foreign Affairs. Manufacturers, for example, have supported this view and there is no doubt that the new minister of trade will take a position on this. But before he does, it is perhaps natural that he will go in accordance with the Independence Party policy on increased freedom in price and currency matters.

It has been recently determined by the Reykjavik City Court that the interference of the Price Institute in decisions on financing Reykjavik street cars has resulted in financing costs much higher on account of the meddling of the price authorities. Everyone knows that currency restrictions create a basis for a black market. People rather choose to dispose of the currency in their hands outside the banking system, than within, if they have the choice. In both of these areas carrying out the public policy has led to results totally at variance with the purpose of the policy.

It has been reported that Minister of Trade Matthias A. Mathiesen has written a letter to the Icelandic Central Bank and announced to the bank that he wants the Central Bank and savings banks to have the same rights with respect to currency trade. That is a move in the right direction but equalizes the difference in position only within the public system. Efforts need be made for others besides public parties in currency matters. It is necessary to get away from a restrictions system distributing the burden in such a way that the Icelandic krona will stand on its own without the misconceived public protection that it enjoys.

Price and currency matters need to be cleared up not only in terms of public advantage but also in terms of what is best for the Icelandic people. The policy of the Independence Party is clear in this area and involves choosing freedom over public interference.

9857

CSO: 3626/43

## BRIEFS

VALUE OF EXPORTS DROPS--Total Icelandic exports dropped quantitatively by 4 percent during the first four months of the year. Exported were a total of 191,232.8 tons compared with 198,307.5 tons during the same period last year. The value increase between the years was, on the other hand, around 100 percent, or 4,467.5 million kronur this year compared with 2,232.5 million kronur last year. The average exchange rate for the dollar during the first four months of the year was 19.97 kronur compared to 9.89 million kronur the same time last year. The increase between the years was thus around 102 percent. These facts are from a compilation of figures from manufacturing export centers. Total exports of capital goods rose during the period in question by 54 percent quantitatively. Exported were 72,780.2 tons, compared with 47,137.8 tons last year. The value increase of capital goods exports between the years was around 154 percent, 1,253.6 million kronur against 492.7 million kronur. /Excerpts/ /Reykjavik MORGUNBLADID in Icelandic 22 Jun 83 p 38/ 9857

CSO: 3626/43

## INFLATION ROSE BY 20.7 PERCENT DESPITE SMALL MAY DROP

Lisbon DIARIO DE NOTICIAS in Portuguese 16 Jun 83 p 1

Text The consumer price index fell by 0.2 percent in May. This was essentially due to favorable changes in the food and beverage index category which registered a 0.9 percent price decrease. According to figures released by the National Institute of Statistics, the inflation rate for the first 4 months of this year worsened, nevertheless, by 20.7 percent compared with the same period last year.

By comparing the January to May 1983 price changes with those for the same period in 1982, we confirm that the tendency noticed right at the beginning of the year for prices to rise very slowly in the food and beverage category and for more rapid increases in the clothing, footwear, housing expenses and sundry items categories continues to exist.

The inflation rate for the 12-month period ending in May 1983 was 20.7 percent when compared with the preceeding 12-month period ending in May 1982. This breaks down into a 20.3 percent increase in the food and beverage category, 18.9 percent in both clothing and footwear, 22.4 percent in the sundry items and housing expenses categories. The latter category is not included in the general index.

Meanwhile, it was the sundry items category that especially contributed (23.6 percent) to the deterioration recorded during the first 4 months of this year. This category includes hygienic products, medical services, medicine and entertainment. On the other hand, the food and beverage category, which weighs heavily in the price index by more than 50 percent, rose 19.3 percent during this period.

The need to control imports somewhat appears to have already merited government attention even though it has not yet defined and approved its economic policies. In real terms, Portugal will import 6 million contos of essential foodstuffs this year. Other imports, particularly those made by public enterprises, will be subject to possible revision.

The economic coordination bodies and the public enterprises were to have sent a report to the Secretary of State for Trade by yesterday on imports made during the first 6 months of this year and estimates for the second half of the year. The reports are aimed at a possible revision of the plan.

An official note also refers to the fact that "the need to reduce the balance of payments deficit demands that special attention be paid to limiting the quantities of imports and to making purchasing decisions geared toward obtaining the most favorable prices possible."

The 86 million contos available for imports are divided among the General Sugar and Alcohol Administration (5.9 million contos), the Olive Oil Syndicate (29.5 million), the Cod Fish Trade Regulating Commission (8 million), the National Fruit Board (250,000 contos), the National Beef Products Board (2.5 million contos) and the Public Enterprise for the Supply of Grain (40 million contos).

9935

CSO: 3542/151

## TINDEMANS ON POLICY, RELATIONS WITH AFRICA

Brussels L'EVENEMENT in French Jun 83 pp 38-43

[Interview with Leo Tindemans, minister of foreign relations, by Christian Taverniers; date and place not specified]

[Text] In response to questions following the nationalization of his bank by the French Socialist government, Pierre Moussa, former head of the Bank of Paris and the Low Countries, said in 1981: "There are only two ways out of the crisis: a war that no one can want or a big policy of investment and mutual development with Africa." Words to be pondered. In Belgium, it is time to talk about something besides unemployment and Cockerill-Sambre. Flanders seems to have realized that, since its Flanders Technologies, brilliantly organized by Mr Geens, head of the Flemish Executive, is forging ahead. We need big projects that will mobilize energies and ideals. The Belgian Government now in power is, for the first time since the crisis began, showing a will to bring Belgium out of its stagnation. It can succeed only if it is able to shake up the very ones responsible for Belgium's postwar prosperity: a private sector that has fallen asleep and a government administration that has become ossified with the passage of time. Last February, a remarkable 200-page document entitled "Belgium's African Policy" was issued by our Ministry of Foreign Relations. For the first time since the days of the Spaak-Davignon team, a minister has had the determination to clearly define the principles of Belgian action in Africa. That report spotlights the ludicrous Belgian presence everywhere on the African continent except in our former colonies and South Africa. A real acknowledgement of deficiency! It must be recognized that since Tindemans became minister of foreign relations, Belgium has again begun to attract the world's attention after being in eclipse for 20 years. It must also be noted that in the field of cooperation in particular, a considerable effort at rationalization to make cooperation more operational and more effective has been undertaken with doggedness and determination by the secretary of state of cooperation for development, Mrs Mayence, with the assistance of a most dynamic staff.

Christian Taverniers: Last February, your ministry issued a voluminous memorandum entitled "Belgium's African Policy." In it, you say that our country is guilty of rejecting the historic chance to become part of the North-South dialogue.

Allow me to put the question to you bluntly: is that famous North-South dialogue really anything other than a prestigious and meaningless discussion for career diplomats?

Leo Tindemans: Economic reality proves to us that the bilateral relations maintained by the Western countries with developing countries--useful and valuable though they are--are not enough in themselves to provide more than very partial solutions to such difficult and worldwide problems as the problems of sufficiency in food, energy, the price of the commodities most important to Third-World countries, the indebtedness of Third-World countries, and so on.

I am convinced that what is called--rightly or wrongly--North-South dialogue will long remain one of the basic components of international political and economic relations.

As for calling it a "meaningless discussion for career diplomats," I would like to point out that the North-South dialogue does represent an unprecedented attempt to readjust the world's economic equilibrium, and this at an especially difficult time. Even under normal circumstances, that exercise proved to be extremely tricky. And in a time of severe crisis, is it not natural that such discussions should continue for several years?

The North-South dimension is continuing, incidentally, to be a prominent feature of international meetings.

I had the opportunity to mention it at the ministerial session of the OECD that was just held in Paris on 9 and 10 May. It will be predominant at the Sixth Session of UNCTAD, which will take place next month.

In Paris, I had the opportunity to say this in that connection:

"Economic stagnation and the enormous burden of the indebtedness of the developing countries make structural adjustments indispensable. Those adjustments will not come about simply as a result of market mechanisms. It would therefore be appropriate to establish an effective mechanism for coordinating the aid provided by the IMF and the World Bank with that provided by the other bilateral and multilateral aid agencies.

"In fact, the industrialized countries must not only improve the quality of their cooperation through more active coordination but also increase their transfers of official resources in real terms, especially and with absolute priority as far as the poorest countries are concerned. That objective and that geographical orientation are essential, because the low-income countries, despite their great needs, are less attractive by definition to flows of funds from the private banks. It is also important that capital transfers through private banks continue but that they be used better than they have been in the

past for productive purposes so as to respond more effectively to the development needs of the receiving countries. It is imperative that the solvency of the newly industrialized countries be restored under penalty of greatly jeopardizing the stability of the international financial system. But the tendency to ignore the poorest countries must nevertheless be combated. In that connection, it must be recalled that the Paris Conference of September 1981 suggested that 0.15 percent of the GNP be allocated to a special effort on behalf of the least developed countries."

As far as UNCTAD is concerned, I hope very keenly that the group of developing countries--known as the Group of 77, although their actual number has long since exceeded that figure--will agree to look at the issues from the standpoint of two realities which, incidentally, that group itself has recognized--that is, the fact that responsibility for development rests on the developing countries themselves, but that, in addition, the world's economic crisis has strengthened the obvious need for a combination of efforts by those countries with efforts by the industrialized countries, including the countries in the East. That is an essential condition for open and fruitful dialogue between the North and the South that will enable all parties--and therefore the South as well--to assume their responsibilities.

Christian Taverniers: You say that Belgium's presence is desired by Africa and desirable for Belgium. But beyond words, we also need the means for implementing that bold policy. Do you believe that you can arouse our big banks, and particularly the General Banking Company, to help you carry out that policy?

Leo Tindemans: I don't believe that our contractors, banks, and industrial groups--large or small--need to be "aroused" to become active in Africa.

After all, the Belgian private sector, whether in the field of industry or finance, has been present there for a long time, and it takes a definite interest in that continent--an interest which, incidentally, operates within the limits of mutual interests properly understood.

The memorandum concerning Belgium's African policy, to which you refer, emphasizes, and I am quoting, that "it is heartening to note the mutual and steadily increasing interest being shown by Belgian companies in the various actions undertaken within the framework of the official programs for trade promotion in Africa." The number of participants in the annual fairs or economic missions organized on the African continent bears more specific witness to that active interest.

The same memorandum points out that "the Belgian Government will be careful to associate the private sector with its action in Africa in a more continuous and complete manner."

We are on the right path. The instruments already exist: the new Development Cooperation Fund, the Belgian Investment Company, and also the outline agreement signed not long ago between our country and the World Bank. That agreement provides for coordinated effort among various financing sources with a view to ensuring the carrying out of major development projects.

Christian Taverniers: Just under 50,000 Belgians are registered as being in Africa, including 18,000 in South Africa and 17,000 in Zaire. Don't you find it paradoxical that over two-thirds of the Belgians in Africa are precisely in the two African countries that are most controversial in Belgium?

Leo Tindemans: The Belgian community in Zaire is sizable, and the reasons are well known. They are historical, humanitarian, cultural, and economic in nature.

As far as South Africa is concerned, it must be pointed out above all that Belgians are nationals of a democratic country. It is not the business of government authorities to prevent their nationals from settling in a foreign country. However, as part of the Belgian policy on apartheid, the decision has been made to eliminate all material assistance to Belgians who emigrate to South Africa. It can therefore be said that while respecting the freedom of its nationals, the government in no way encourages emigration to South Africa.

Since we are talking about southern Africa, I would like to draw your attention to another passage from the memorandum on Belgium's African policy.

"Our country's completely unambiguous stand on the Namibian question and on the South African Government's policy of apartheid, when combined with the fact that at the same time--despite that stand and the specific actions that follow from it--our country continues to maintain relations with Pretoria and that, in particular, it maintains excellent relations with the "front-line countries" (Angola, Botswana, Lesotho, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe) both bilaterally and through the SADCC (Southern African Development Coordination Conference), means that at the proper time, Belgium might be able to play a useful role between the various protagonists in the situation in southern Africa with a view to making progress toward a peaceful solution to the problems facing them."

Let us understand each other: for our country, it is not a question of offering its mediation and even less of suggesting one or more plans for settling the problems in southern Africa. It is up to the countries concerned to find the solutions acceptable to them. But Belgium, because of the position it has achieved in the region, has a duty to be available in case the situation comes to maturity and the role of an intermediary becomes desirable in one form or another.

Christian Taverniers: The CFA [African Financial Community] zone is said to be a French preserve. Considering that there are, for example, 450 Belgians in Cameroon, 100 in Congo, and 75 in the Central African Republic compared to 17,000 in Zaire, 1,500 in Burundi, and 1,700 in Rwanda, there is reason to wonder whether Belgium's African calling is limited to the latter countries.

Is there not a big effort to be made in the CFA zone, where Belgium is practically unrepresented and where its absence seems to be regretted by the countries in that zone?

In Gabon, a new policy is apparently taking shape, considering the increase in the number of our diplomatic and cooperation personnel there.

Is that a development indicative of your new policy in Africa?

Leo Tindemans: I am not fond of the use of the expression "preserve" when talking about relations between European and African countries.

That kind of reference is in total contradiction with Belgium's African policy as I conceive of it and as it is expressed in the memorandum already mentioned. That memorandum explains very clearly: "Relations between Belgium and Africa must leave permanently and totally behind them the colonial context in which they had their origin." It notes that such a principle has several corollaries and that one of them concerns the context of competition and areas of influence that characterized the Western countries, and especially the European countries, in their relations with Africa during the colonial era.

That atmosphere of competition must disappear along with the colonial era, and Belgium has the duty to help it disappear.

Political competition among European countries in Africa must be banished. It can only harm European-African relations by creating a reaction of strong distrust and even rejection on the part of the dark continent.

And as far as economic competition is concerned, it is necessary to distinguish between investment and the supplying of goods and services.

As regards investment, Africa is big enough for everyone, and wherever possible, particularly in view of the current scarcity of capital, it is in the interest of both Africans and Europeans that there be cooperation between European and Western investors on the one hand and, on the other, between those same investors and individual or regionally grouped African countries, as well as between those two groups and the appropriate international or regional organizations.

As regards the supplying of goods and services, competition is natural for the suppliers (Europeans and Westerners) and advantageous for the customers (the Africans).

That being said, one of the principles of our African policy is the geographical diversification of our relations with that continent. That phenomenon is already well underway, incidentally, both politically and economically and in the area of cooperation for development.

It is obvious, however, that our country cannot have relations for cooperation with all African countries because it cannot afford to. A degree of selection is therefore necessary on the basis of judiciously chosen criteria.

The first of those criteria, obviously, is the willingness of the particular country in question to have substantial relations with us.

Other important criteria are the development needs of the African countries, their relative level of poverty, the actual determination of the African governments concerned to develop their countries for the benefit of their inhabitants and the degree of effort they put into it, and their economic possibilities as far as Belgium is concerned.

By way of example, since you yourself mentioned it, it is a fact that the very positive trend in our relations with Gabon is a development indicative of Belgium's current African policy.

The number of personnel--both diplomatic and cooperation staff--at our embassy in Libreville has just been increased through the establishment of a Cooperation Section, which is now operational.

As far as Gabon is concerned, our efforts have been concentrated essentially on placing 19 experts at the disposal of the Gabonese administration. That number includes five in the field of agriculture, four in the field of industry, commerce, and PME [small and medium-sized business], and two railway experts. We have also sent three merchant marine experts. Moreover, Belgium has also financed a special mission on nutrition, social affairs, and the advancement of women.

Concerning our economic relations, a government loan agreement was signed in May 1982, and that money will be used to build a train station and acquire teaching materials for the universities.

To conclude our remarks on this subject, let us note that we do not intend to limit the development of our relations to Gabon or even to the countries in the CFA zone.

Just think, for example--and even this does not exhaust the possibilities--of the importance of Africa's English-speaking countries, not to mention those where Portuguese is spoken.

Christian Taverniers: Libya is our seventh largest supplier and our second largest customer in Africa. The Libyan chief of state, Colonel Qadhafi, is one of the chiefs of state arousing the most disapproval in the West. But in Africa, the judgment concerning him is less harsh.

When one questions African journalists, they say with a knowing smile that the Western media exaggerate, but that this is useful to certain African countries because the surest way to obtain U.S. aid is to bring up the Libyan bugbear. If you were invited by Colonel Qadhafi, would you go to Tripoli?

Leo Tindemans: If you don't mind, I will not pass judgment on the intentions or ulterior motives that you ascribe to African chiefs of state.

What I can tell you is that our relations with Libya are good in the sense that they are active and unambiguous. You yourself have just pointed out that our economic relations are significant. I will add that Belgium represents U.S. interests in Tripoli and does so, it seems to me, to the satisfaction of both

the United States and Libya. And that, quite obviously, is an indication of the satisfactory state of our relations with the latter.

You asked me whether I would go to Tripoli if I were invited by the Libyan chief of state. The appropriateness of accepting an invitation is always examined in the light of a number of factors such as the demands of the agenda, the purpose of the visit, the objectives to be achieved, the circumstances, and the general framework of the visit. Having said that, I can assure you that every official invitation is examined in a judicious manner and in a positive spirit.

Christian Taverniers: How do you assess the policy of the IMF, which is imposing drastic monetary and budgetary policies on African countries while the World Bank, at the same time, is cutting back on the development programs it will finance?

Leo Tindemans: It is a fact that the IMF's action is sometimes criticized in the Third World as being designed to impose on its member countries economic and financial recovery plans which are too constraining and too rigid, which do not take into account the realities in the countries concerned, and which impose excessive sacrifices on their inhabitants.

But the fact is that when the IMF is approached by the countries themselves, it negotiates with them concerning the adjustment programs required by their economic and financial situation, oversees the application of those programs, and, in one form or another, makes the indispensable financial resources available to them in order to ensure the desired recovery.

That practice applies not only to the developing countries but also to the industrialized countries.

Incidentally, it must not be forgotten that it is the countries themselves which request the IMF's support. It is therefore primarily their responsibility to draw up, with the IMF's help, the recovery programs whose implementation is necessarily difficult--and even painful--since in most cases it is a question of taking drastic steps to straighten out a difficult budgetary and financial situation.

As far as the World Bank is concerned, one cannot claim that it is cutting back on its development programs for Africa. Proof of that is to be found in the indicative program drawn up some time ago by the bank's departments. It shows that the organization is aware of Africa's specific needs.

For my part, I feel that it is of the greatest importance to ensure close coordination between the IMF and the World Bank with respect to a given country and to harmonize their policies and actions with those of other international, regional, and bilateral organizations.

With your permission, I will quote another passage from the speech I delivered at the OECD meeting last 9 May. It is concerned specifically with the Belgian position on the IMF and the World Bank.

"It is also important that the multilateral financing institutions have access to the indispensable funds enabling them not only to provide aid on preferential terms but also to encourage the developing countries to carry out their economic and institutional reforms.

"In this connection, I cannot conceal my concern--and it is shared by my colleagues in the European Community--when I note the difficulties being encountered by some countries in the Western group in fulfilling their obligations with respect to replenishment of the IDA's funds.

"Our support for the World Bank, the IDA, and the IMF is all the more justified in view of the fact that in an especially tight international financial situation, those organizations have demonstrated a remarkable ability to adapt, notably in the development of specific means of action.

"I am thinking in particular of the World Bank's loan programs for structural adjustments."

Christian Taverniers: Concerning the AGCD [General Administration of Development Cooperation], SOBEMAP has produced a report on the restructuring of our administrative agency for development cooperation. That report was announced by your secretary of state of cooperation for development 2 years ago. Since then, there has been silence.

a) What happened to that report, and how much did it cost the government?

b) What are its recommendations, and have they been put into effect?

Leo Tindemans: The SOBEMAP consulting firm was in fact hired to draw up a report with reorganization formulas aimed at improving the AGCD's operating methods. It was a limited study as regards both its scope and its duration.

Incidentally, it must not be forgotten that apart from SOBEMAP, the government has also used the services of the ORI-OCI consulting group since 1979 to help the AGCD computerize its accounting and certain administrative functions, including even budgetary control.

A task force consisting of representatives of several ministries then drew up proposals that were included in a memorandum submitted to the Council of Ministers. The Council of Ministers gave its approval to administrative changes which, without affecting the basic administrative structures established by the royal decree of 1976 on reorganization, should make it possible to improve the management and consistency of the AGCD's operations.

The Council of Ministers also decided to ask the same task force to provide it, over the longer term, with proposals concerning the role of the AGCD and its institutional ties.

The AGCD's effort to adapt to changes in the various forms of cooperation and to modern management methods is therefore part of a continuing process.

Christian Taverniers: If one reads between the lines in your report, one gets the impression that there is a desire to take the heat out of our relations with Zaire. President Mobutu recently appointed a prime minister in Kinshasa--Kengo--who is very familiar with Belgium and whose formidable intelligence is recognized by everyone. He also appointed Bomboko ambassador to Brussels, and the least one can say about Bomboko is that if he were not Zairian, he would make a good Belgian politician.

Do the intransigence in Kinshasa and the very subtle good-naturedness in Brussels constitute a prelude to new relations between our two countries?

Leo Tindemans: Zaire inevitably arouses special interest in the Belgian public, chiefly because of the close ties that history has built up between our two countries.

It would be useless and even deplorable to try to deny those special ties or those that bind us to Rwanda and Burundi. They must be retained and even developed. But it must be done in the context of an overall policy which applies to all of Africa and which tries to be balanced. In such a context, our relations with the three states in question, while they may retain their own characteristics, must be placed within the general framework of the objectives and goals that must govern all our action in Africa.

I believe that when seen from that perspective, our relations with Zaire can in fact be made less emotional in the interest of everyone. The result may be a new kind of relationship and one more fruitful for both Belgium and Zaire.

That is the hope of the Belgian Government.

I think I can say that it is also Zaire's hope.

Christian Taverniers: Apart from Africa, what is Belgium's position on the following:

1. The difficult East-West dialogue, particularly as it pertains to the Euro-missiles?
2. The difficult dialogue between Israel and the Arab countries, particularly in connection with the PLO and Yasir Arafat?

Leo Tindemans: On the first point, East-West dialogue, while it is in fact difficult, remains essential nonetheless. I have often said, and I recently had occasion to repeat it in Moscow, that there is no alternative to peace. Europe--and therefore Belgium as well--feels that everything must be done to preserve it.

More specifically, as regards the Belgian Government's position on the INF missiles, that position is clear. Belgium supports NATO's two-track decision of 1979 and therefore keenly hopes that the Geneva talks will produce an agreement. If it turns out unfortunately that they do not, Belgium would draw the logical

conclusions and could not remain insensitive to the threat that the SS-20's are causing to hang over Europe.

Allow me to draw your attention to the selectivity of the threat created by the SS-20's. By deploying those missiles, the USSR has created a situation in which it threatens West Europe without there being any effective means of deterring it. The U.S. strategic weapons (intercontinental missiles, submarine- and bomber-based missiles) are held in check by corresponding weapons possessed by the USSR, which has achieved parity with the United States in that field.

So far the USSR has rejected all our proposals (the zero option and the intermediate solution). If things stay that way, the partners in the Alliance will have no choice but to adopt a posture of deterrence and deploy the 572 systems called for in NATO's two-track decision of 12 December 1979.

As you know, I had the opportunity to discuss this subject with Gromyko not long ago. I presented him with the Belgian point of view on the subject: that of a nonnuclear European country which feels threatened. I will soon be going to Washington, where I will also hold talks on this subject with Mr. Shultz.

As regards Andropov's proposals to reduce the number of SS-20's to equal the number of French and British strategic weapons, they do not satisfy us because those latter weapons are national in character. They exist to defend France and Great Britain, whereas the SS-20's threaten all of Europe, and therefore Belgium as well.

On the second point, Belgium has been concerned by the constant tensions affecting the Middle East region ever since they began. It feels that the most effective way in which it can work for peace is to act in concert with its European partners.

The principles underlying the attitude of the 10 toward overall peace negotiations are clearly expressed and understood. We feel that lasting peace can only be built on the right to a secure existence for all the states in the region--including Israel--and on justice for all peoples--including the Palestinian people's right to self-determination, with all that implies. Those rights must be mutually recognized by the parties themselves. All the parties concerned, including the Palestinian people, will have to participate in the negotiations, and the PLO will have to be included. Force or the threat of force must be abandoned by everyone.

Belgium feels that every opportunity likely to lead to a political and peaceful settlement deserves to be encouraged. That is also why the Belgian Government has stated that it is pleased that the U.S. secretary of state has undertaken a mission to the region and that he has once again, just recently, publicly urged all the parties concerned to see to it that this mission opens the way to the establishment of a just and lasting peace.

11798

CSO: 3619/76

## PROSPECTS OF BOURGEOIS PARTIES TO CHANGE COUNTRY'S COURSE VIEWED

Copenhagen BERLINGSKE TIDENDE in Danish 27 May-2 Jun 83 p 13

/Article by Victor Andersen: "The Future Denmark, Bourgeois Version: The Four-party Bloc Acts"/

/Text/ The four-party government is not only a rescue squad to save Denmark from the economic precipice. Almost from its first day in office, the government has also installed more long-term perspectives in its policy. This article tells what these perspectives aim at. The government also advocates that the two great problems (working hours and the technological jump) will get clear and varied solutions all depending on whether we have before us a Social Democratic or a nonsocialist version of a future Denmark.

Minister of Culture Mini Stilling Jacobsen says that she does not expect anybody to raise a statue for her when she retires from politics.

The same realism and modesty seems to characterize the four-party coalition government with the prime minister in the forefront. It is still very new at the job and its slogan seems to be: let us do some work first and then see afterwards about laurels, ministerial portraits and statues.

The modesty does not, however, cover--as many might have believed--the corresponding moderation in mental political activity.

#### Economy and Culture

Seen from the outside, the four-party coalition government might resemble a large disaster rescue squad for a Denmark which for some time has been balancing on the brink of an economic precipice. But it views its task to be differentiated, far-sighted and ambitious. What is more, the government itself thinks that almost from the first day it has launched a policy which reaches far afield with its numerous economic persecutions. This statemanship with a more distant future as the objective is to consist of a combination of the economic reconstruction policy, the abolition of red tape and the planning of private enterprise, as one cannot visualize economic reconstruction in itself being able to open up numerous intellectual and cultural values.

And to quote some minister in an interview with WEEKENDAVISEN:

"We definitely don't look at ourselves as just bookkeepers because in the beginning we have had to come on so strong, especially with economic policy. In that lies the key to innovation and enrichment for the society as well as in many other areas. From the beginning we have had other plans in mind as well when we have discussed cost-of-living adjustments, wage limits and krone rate."

Prime Minister Schluter phrases it thus:

"Economic reconstruction also has deep and firm attitudinal perspectives. A heavily indebted society is not a free society. We know that from our private economy. If we would not get rid of the foreign debt, just imagine what alternatives we would have in a country where the choices have already been severely restricted. Just image that young people today are almost unable to choose their own education. My generation of young people was able to choose with much more freedom in a society that in reality was much poorer."

"Besides, we have reached a stage where absurd bureaucratic rules restrict the possibilities for people's development. Behind the abolition of red tape lies another human attitude that has been on the throne for years. The tendency has been to create security, harmony, conformity and collectivism. These are not forbidden words. But they are words which--after we have had enough time to try our hand at the work here at Christiansborg--will be paired with words such as incentive, boldness, character, individuality, diversification, vigor, success and going to the bottom. For that is how it lies in the society we are visualizing. This is the way we will have it--a moderate and tolerable mixture. The conformists and collectivists had gotten the upper hand and have broken the other elements to pieces. We all suffered from that," says Poul Schluter.

As the prime minister, Minister of Finance Henning Christophersen also has much broader ideas about the economic clearing than just to save Denmark from an acute danger. He stated: "Whether we again have full employment and good economic growth depends on whether we at the same time dare to undertake the liberation society needs. Growth cannot be achieved by forcing a structural adjustment whereby people and businesses will be subjected to demands they are forced to fulfill."

"This is really the reason," he says, "that in this government I have put so much emphasis on pushing out the selective measures--job programs, excise tax and restrictions of other types--and instead have concentrated on the bigger general means and on liberating the public sector and the whole economic life. It is in this way that we can recreate economic growth and full employment, and it is such progress that I want to see in the future, nonsocialist Denmark."

If progress comes, Henning Christophersen will as a result be less busy with the razor-sharp cutting up of the public and private initiatives and still more of the current places and boundaries. Also, such softening is just a sign of freedom.

"It will be a freer society if there is a more indeterminate link between leisure time and work, between wage earners and self-employed as groups and between public and private enterprise. We will experience completely new forms of cooperation and we will experience that the current administrative community will be dissolved and replaced by a society where people to a much higher degree make an effort of their own free will," says Henning Christophersen.

#### Culture Is Having Hard Times

Minister of Environment Christensen agrees with his colleagues in the government that economic reconstruction is not something in itself but also is a platform for elevating life in Denmark in many ways.

He is sure what a part of the coming economic growth will be used for--namely to make Denmark as clean as possible.

"I have this attitude simply from my basic Christian view. I will explain that further. We are put on the earth to administer with the knowledge of making it submissive to us. Nature is a gift to you which you must utilize. But you must not utilize it as if it were yours. You are only one of many generations. The following generations should have the same access to enjoy nature as you do. If you don't have that basic attitude, you have an egoistic attitude and not a Christian attitude. If you just use the natural resources freely and thereby tempt others to do the same, the earth may be destroyed."

"Some people say to me that nobody talked about environmental problems like that before, and is this not exaggerated talk? I tell them that they should go home and remove everything they have in their homes made of plastic. This has all come about in their time. This will show them how quickly things change in our times. It does not take much for us to make a serious error. Therefore we must work with a serious purpose in order to create a clean community. It is unchristian to have a country which poisons its drinking water."

Minister of Culture Mimi Stilling Jakobsen is not of the opinion that the current situation of economic crisis is a bad starting point for her cultural political reforms. On the contrary, there is perhaps the urge during economic restraint to contemplate whether things might be done in a different manner.

What she wants to do is to change the value division in cultural politics. It has struck her that cultural life under Social Democratic leadership is built up so that they have elaborate shiny frames but a steady decrease in the supply of living art and culture within the frames. As an example, she mentions the State Museum of Art, which is brand-new to look at but only has half a million kroner a year for purchasing art ("they can't even get a painting for that"), and the libraries where buildings, personnel and heating bills are paid as before but fewer and fewer books can be bought. We are getting to be like the head without content and frame without life, and this is what she wants to change:

"Let's get rid of the schemes for the schemes' own sake. I will try to stir the soup the opposite way in the pot. I also want to get rid of the Social Democratic monopolistic way of all artistic taste, which arouses national protest against art and which brings up the real danger that we on a long-term basis will have to suffer cuts in grants. That cannot happen. In this country there are only approximately 100 artists who live off what they sell."

#### Confirmation of Conviction to Poverty

The Future Denmark was the title of young Jens Otto Krag's vision for the Social Democratic Party. Today when the Social Democrats are worse writers and journalists than Krag was, its party and action programs are called something less colorful. But there are always clear meanings, such as that the working hours must be shortened as soon as possible, so that it will be possible to get more unemployed people to work.

In the future Denmark that the nonsocialist politicians subscribe to, the attitude toward working hours is the opposite.

"It is very likely that working hours will gradually be decreased, especially when it comes to light that microtechnology and robots are able to take over more and more of the work. But for the time being, employment will primarily be fought by providing more jobs. If we begin to reduce the working hours only to be able to divide the jobs, we will only confirm our own conviction to poverty," says Poul Schluter.

Henning Christophersen says: "This is a primitive conception that a shortening of working hours in itself will create more employment. Experience shows that it encourages the introduction of more technology and production-promoting wage systems. So what happens is just the opposite; there will be employment for fewer people. There is talk besides about the working hours on the basis of the four-sided conception that there is only a limited amount of work that will be performed. This is incorrect. Neither in theory nor in practice are there limits to how human needs can be expanded. To be forced to solve unemployment by limiting the working hours is nonsense."

#### The Spirit of the Lamp Shows Itself

Another marked difference shows itself between the future Denmark which is subscribed to by Anker Jorgensen and the one that Poul Schluter subscribes to. The demarcation line shows itself in connection with the microtechnology Poul Schluter recently talked about.

The technological possibilities are beginning to be great in telecommunications. The day is not far away when the seamstress can stay at home and via her television set (outfitted with tape and hybrid network) can talk to her supervisor about which pattern should be used for the home sewing machine today. Or the bookkeeper can in the same way and from his home perform the day's work via his television set.

In the same manner, private errands such as going to the bank, going to the library, going to the travel bureau et cetera can be conducted via the television set which thereby will develop into a sort of "spirit of the lamp" which can bring you everything but at the same time is a little bit in the vein of Orwell's "Big Brother" who dominates and controls you.

All this may happen while people like Anker Jorgensen and Poul Schluter are still in the power play.

Sociologists, therapists, ideologists and other present-day compassionate samaritans are already alert to these perspectives. By strengthening the political spectrum which Anker Jorgensen has shown himself eager to embrace in the opposition, people are literally wide awake. But there is concern about how collective enterprises will fare for those people who will be made unfamiliar with their coworkers and the world in general by their own television set at home. And the increased leisure time, which the new technology and saved commuter time to work will provide, is viewed as a painful problem the Danes must get public support to solve.

The four-party government appears far more cold-blooded over these things. Minister of Culture Mimi Stilling Jacobsen feels that it is appropriate for the state to leave people alone. The first 10 hours of leisure time, the Dane can definitely handle without a state-provided baby sitter and bib. She foresees that people will stay more with their children and their old parents, that they will take extra trips through the woods, that they will visit friends and go out for dinner at their own expense. She does not fear any habit of watching television. When there are 30 knobs to turn and all kinds of features are gradually repeated in a 23-inch version, people will react adversely and prefer to view things from the perspective of the human eye rather than watch the boob tube. "It is possible," she says, "that much extra leisure time will raise the need for some public housing. But that will not be the state's affair to look into. Why do we have local self-government? Besides, for those who get bored there is already available an enormous selection of evening school programs in Denmark--the largest in the world."

Minister of Environment Christensen has been informed by his own advisers in the ministry that technological development makes the package house both a castle and a prison. The parties in question must have recognized the Christian People's Party's strong family policy. To Christensen a home can never become a prison.

But he is certain that there are great problems. It is necessary, he says, to have a broad back in order to carry good days. If it actually goes so far that microprocessors can take over most of the work, there must be a very strong cultural background among the Danish population. On one side, Denmark cannot be--as Christensen phrases it--a fed society. The society should not feed its citizens as the birds feed their young. But there should be a strong cultural commitment among the population upon which the state will provide the framework for the development: "If we can create that balance, we will get a society that is intellectually, ethically and culturally strong enough to carry the technological development."

Christensen has also given thought to the lonely worker in front of the television set. He makes comparisons with his own experiences in a community such as Thyholm. People must commute from there daily in a roundabout way to their jobs in Holstebro, Struer et cetera: "What if they now utilize the new technique. You can live in your home and the community you now live in. You avoid traffic problems and commuting time. You have all the benefits of the immediate community and you can participate better than before in the community's decisionmaking. Then comes the problem: what about social relationships at the workplace? With respect to that, I want to say that I want to place priorities on the home as one of the compensations, and that is not a small one."

Within the four-party government's ministerial circle, only Minister of Education Bertel Haarder has tried his hand in speaking the truth about future developments. The title alone of one of his books "Denmark in the Year 2002, Justified Vision" shows this. Will the government make use of these prophetic gifts in an appropriate manner?

One of his patent solutions for the Danish problem is the personal bloc subsidy--that is to say, a person or a family receives a certain amount from the state to clear the problems in connection with education, health or others, and then people will flock to the schools, hospitals and elsewhere where they think they will get the most for their money. As if by magic, the effectiveness of this would be brought into the public sector.

One has looked for this proposal with no results in both the prime minister's inspired inaugural written statements and in the government's speech from the throne. On the other hand, the proposal is alive on the front pages of the English newspapers as Margaret Thatcher's "think tank" has suggested that parents with children should receive an annual check "equivalent to 1 year's schooling"--800 pounds for children in the lower schools and 1,000 pounds for the next level and 1,200 pounds for the higher classes.

Among many other things, Haarder has suggested in his books certain constitutional reforms, such as a firm 4-year electoral period. By that he feels the parliamentary members will be more daring. As it is, now that the prime minister can call an election on short notice, they always fear the judgment of the voters in the next 3 weeks and therefore lack the courage to approve tougher things.

WEEKENDAVISEN has put this proposal to both the prime minister and the minister of finance. Poul Schluter says that the proposal would require a constitutional amendment and he thinks that Denmark has received its last constitution. The constitution is quite outstanding, he says.

Henning Christophersen rejects it on a more detailed evaluation:

"I do not believe it will serve as a whip to any greater extent than it is now, if there are 4-year electoral periods. I understand Haarder's viewpoint very well. Then it is not necessary to fear election. But on the other hand, I do not mean that one should hold the dissolution right in contempt. It can also have its merits if a government informs the Folketing that there are some things it stands and falls with. If there is a 4-year electoral period, there can be

a completely free round to overturn a government. The Fourth Republic in France after the war functioned within the framework that an election normally was not called until the electoral period had ended. This did not create greater political stability. I do not know either whether it can be said that Italian politics is characterized by greater stability because there an election normally is not called prematurely. The question of political scare and boldness must be handled in another manner. What is most important is that a government knows what it wants. And this government knows it. This is just the opposite of Anker Jorgensen's government, which had lost the instinct."

This is the last article in the series. The two first articles were published on 13 and 20 May.

9583

CSO: 3613/126

## SOCIAL AFFAIRS MINISTER CLAIMS BUDGET CUTS ARE BENEFICIAL

Stockholm SVENSKA DAGBLADET in Swedish 2 Jun 83 p 4

[Article by Elisabeth Crona]

[Text] "People are willing to make sacrifices if they can see that those sacrifices are producing results." That is how Minister of Social Affairs Palle Simonsen (Conservative Party) explains his government's high popularity rating.

According to Gallup, the Danes have voted the nonsocialist "quartet government," which is subjecting Denmark to heavyhanded cutbacks and planning even bigger retrenchments, their most popular government since World War II.

Last fall the demonstrations were big and angry. Now they are seen mainly in the form of flareups of protests by young people. From time to time, for example, the nonsocialist ministers are awakened in their homes by choral speeches or the "Internationale." And Radio Denmark's "Social Mailbox" often brings reports of increasing distress in certain population groups.

The government as well as the opposition admits that some groups are in a tight situation.

"But in our cutbacks, our intention is to try to keep the weakest from being hurt," said Palle Simonsen as he explained the philosophy behind the government's austerity policy to SVENSKA DAGBLADET.

## Cutbacks Are Beneficial

He says that in themselves, the cutbacks can mean something beneficial for society and the citizens. They are not a necessary evil solely because of the economic crisis.

His predecessor in the Ministry of Social Affairs, the well-known Social Democrat Ritt Bjerregaard, had also begun to work up a system of means testing and selectivity, but according to Simonsen, her motives were different.

"She did it because she was forced to. With us, it is a political attitude. And she did not get very far with it. Opposition within the Social Democratic Party was too strong."

Palle Simonsen does not want to put his philosophy of social policy under the heading of "privatization." Instead, he calls it "a privatization of responsibility."

His idea is that people will become more active and that concern for one's fellow man will begin to flourish if government help is not always at hand.

"It Was Better Before"

He likes to talk and write about how things were before, when contacts between generations and neighbors were closer and better. He says: "There is a way back to that."

He even feels that government institutions and "professionalism" can incapacitate people and thereby create welfare cases.

He mentions voluntary organizations as being supplementary to--but not an alternative to--society's social concerns: "Those organizations have long conveyed another kind of impression."

The procedure on which the Danish minister of social affairs is basing his cutbacks has these basic features:

First, pensioners will be safe from cutbacks. Generally speaking, their pensions are the only benefit payments that will be protected from the effects of inflation.

Why?

"Their basic pensions are relatively small--in comparison, for example, with unemployment benefits."

The second basic principle is that those who have jobs should pay. On 1 April, a 1-day waiting period was introduced into Denmark's health insurance plan. That kind of savings is one that fits in well with the quartet government's philosophy.

Simonsen says: "There has been a lot of political criticism from our opponents, but in fact, the new system is operating without any problems."

Tougher This Fall

But the Radical Liberal Party, which supports the government, would not go along with the government's proposal to reduce government subsidies to the municipalities by 3 billion kroner all at once. As a result of last week's negotiations, the government will have to proceed a little more carefully by making those cutbacks over a 2-year period.

But even bigger austerity programs are in store early this fall--and there may be legislative bills that will make the Schluter government's continued existence uncertain.

The reason is that in contrast to foreign policy, where the prime minister swallows Social Democratic proposals that he basically dislikes, he has set a limit on concessions in economic matters.

He explained recently: "On the day that they destroy our economic reform policy, we will resign."

Palle Simonsen is cautious about saying what the new cutbacks are going to mean for the Danes.

But there is one principle that he says he intends to start attacking, and that is the "principle of free service" in social welfare policy.

"Nothing Is Free"

"If we set a price, people will realize that nothing is free. To some extent, setting a price will also limit the use of those services."

Will the government, which is a minority in Parliament, be able to garner majority support for future retrenchment proposals?

"A minority government lives dangerously every day, but the objective is to sit tight for the rest of our term--that is, a little more than 2 more years."

The government will also be back this fall with a bill that it was not able to get approved this spring: a tax reduction of 600 kroner for every Dane.

11798  
CSO: 3650/219

## COLUMNIST SAYS PROGRESSIVE PARTY MAY SURVIVE WITHOUT CHIEF

Copenhagen BERLINGSKE TIDENDE in Danish 27 Jun 83 p 7

[Commentary by 'Monitor']

[Text] The verdict on Mogens Glistrup was not a verdict on the Progressive Party. Its survival depends on entirely different things.

When Mogens Glistrup announced the founding of the Progressive Party in August 1972, it was regarded as a provocative summer joke. When his newly-founded party scored voter support of 20-26 percent in opinion polls taken in the spring of 1973, no one took it seriously. It was a political May fly, according to political observers. The party would not survive until the next election. But that December, Glistrup managed to move into Folketing with 28 seats. But it was still generally thought that the Progressive Party would disappear from Danish politics as quickly as it had appeared.

This did not happen. So far the Progressive Party has survived all its crises. But at the same time it has lost votes in one election after another. It is true that almost 9 percent of the voters voted for the party in the Folketing election of December 1981. However, the big shifts in party support in recent opinion polls suggest that the party is living dangerously. An AIM [expansion unknown] poll from the spring gave the Progressive Party only 3 percent of the votes. But in the most recent Gallup poll conducted for BERLINGSKE TIDENDE, the party again had almost 8 percent of the votes. After the Superior Court's sentencing of Glistrup, many are asking if last Wednesday was also the day of judgment for the party that Mogens Glistrup created and for a long time controlled absolutely.

It is hard to tell. It is not easy to compare the Progressive Party with the other parties in Folketing. In contrast to the old parties, the Progressive Party has no large and powerful membership organization. Even so, voter surveys have shown that in the last decade, the Progressive Party has created a very loyal group of supporters for itself. There are people who support the party's policy and when asked, they state that from one election to another they have voted and will continue to vote for the Progressive Party. The Center-Democratic Party, which Erhard Jacobsen created in the same

uneasy situation, cannot muster up a comprable group of dedicated and loyal supporters. To a much larger extent than is the case with the Progressive Party, the Center-Democrats are forced to find or create issues that can mobilize votes for the party whenever an election is called.

Glistrup himself likes to call the Progressive Party the country's second largest labor party. That is not correct. But it is not entirely incorrect either. Throughout the 1970's, the Progressive Party has gained many working-class votes. The Gallup analysis that BERLINGSKE TIDENDE published on 20 June, showed that 34 percent of potential Progressive voters are from the working class. That corresponds closely to the pattern revealed in previous analyses. Ironically enough, the percentage of working-class voters backing the Progressive Party is as large as it is for the Social Democrats and higher than it is for the Socialist People's Party.

Where Glistrup has characterized his party, with some justice, as a labor party, others have viewed it as an assembly point for a hard-pressed and reactionary lower middle class. According to this view, the party has a special appeal to small businessmen who are threatened either by big firms with lots of capital or by the rising flood of paper released by the public authorities.

That is not an adequate description of the Progressive Party's voter base. It is true that the party has considerable support among the self-employed. But nothing suggests that the original success of the Progressive Party and its viability so far can be explained by a mobilization of small businessmen. The self-employed people who vote for the Progressive Party come from all sectors of business life. It is not just the storekeeper on the corner and his wife who helps out in the store who vote for the party because they are afraid the business is going to fold. Nor is it the small master craftsman in the back street whose firm cannot survive the requirements of the Labor Inspection Agency.

The Progressive Party has also been called the party of the extreme right. That is not an accurate characterization of the party's voters either. On a great many issues, the attitudes of Progressive voters are not much different from those expressed by voters for the conservative and middle parties.

The party that Glistrup created and led to unexpected success in 1973 is primarily a party of distrust. That is how it was in 1973 and that is how it still is. The party's voters are not necessarily opponents of the welfare state. But they distrust the administration of the taxpayers' money by the politicians. To a much higher degree than voters in general, they regard politicians as wasteful spenders. At the same time the party's voters have no confidence in parliamentary institutions, a lack of confidence that is not found among voters for the nonsocialist parties or the Social Democrats.

When evaluating the future of the Progressive Party, the question is therefore not whether Glistrup's disappearance from Danish politics will be the final

judgment on the party. The time is long past when the party's survival stood or fell on the basis of one man's voter appeal. The party's future depends on quite different things.

Thus the question is whether the distrust from which the party has benefited so greatly will continue to thrive among the people in the years ahead. The next question is whether a party founded on distrust of the established parties, their politicians and their general policies, can continue to maintain its independent appeal as a support party for a nonsocialist government.

At least one thing can be said for certain. It is still too early to hand down the final verdict on the party. And if it dies, it will be a slow death that is not caused by the sudden disappearance of its founder from Danish politics. It will be a death where the party wears itself out in everyday politics, because it will continue to face the dilemma of all fringe parties. The Progressive Party will constantly have to choose between being a marginal support party without a separate profile and being a party of protest with a ritualistic and barren policy of opposition. That is not an easy choice and it is not easy to decide which course could guarantee the party's survival.

6578

CS0: 3613/139

## PAPER COMMENTS ON SIGNIFICANCE OF GLISTRUP'S CONVICTION

Copenhagen BERLINGSKE TIDENDE in Danish 23 Jun 83 p 10

[Editorial: "The Final Verdict"]

[Text] When Mogens Glistrup stepped into the public spotlight in the early 1970's, he shocked people by saying that those who cheated on their taxes were comparable to the resistance fighters under the occupation and their national contribution deserved eternal respect. When he stepped out of Superior Court yesterday and met his supporters in a public exhibition the like of which has never been seen before, he quoted Nordahl Grieg's homage to those who fought against Nazism and oppression. To the sound of cheers in front of an open microphone, he made himself out a martyr who was the victim of a society that is full of rottenness and corruption. He said that, after having been sentenced by the highest court in the land, while the hurrahs echoed back from the walls of Christiansborg. Is that the Danish society as it really is? Or is the whole thing an act which has been created from one stage to another throughout a dozen years, a personal and sometimes a political drama whose tragic final act will only be an episode in the annals of history?

After Ostre High Court sentenced Glistrup a year and a half ago for aggravated tax evasion, there could be no doubt as to how this all too protracted case would end. Even though the man sentenced, in his demagogic exaggeration, used his freedom to maintain his innocence--or at least, the injustice of the sentence--some indisputable facts remained and no agitation could shake them. One is that the Superior Court has sentenced him in accordance with the sentence handed down by the High Court. He has been guilty of a very serious violation of the law and he was given a stiff sentence, although he could have received an even harsher sentence. A minority wanted to make the sentence lighter in view of the fact that Glistrup "with his individual way of thinking" could have imagined that he could convince the authorities that his ingeniously-constructed systems should be approved. But no doubt can remain as to the violation of the law or its gravity. The other inevitable fact is that as a consequence of the sentence, Folketing must expel Glistrup from parliament, where he is unworthy to have a seat. Anyone who has broken the law of the land to such a grave extent cannot be a member of the

legislative body. No matter how many voters still feel he is worth supporting, he himself is responsible for the loss of his seat.

Mogens Glistrup intends to continue his struggle from his jail cell against the "system" for which he has only contempt, against the political regime about which he has nothing good to say, against the bureaucracy that is strangling the people, against taxes, against everything and everyone. He originally appeared to be the one man who would show society a way out of the morass and he founded a party that could never be like other parties. As a campaign leader he was unsurpassed and unmanageable and he stirred up such violent feelings in the hearts of the people that the old party pattern was broken up and the floodgates were opened for a decade in which neither Folketing nor a succession of governments could control anything at all. He himself would say that his political activity represented a watershed and made a substantial contribution to a development that could be beneficial to society. But the price for this has been a growing lack of confidence in the will and ability of parliamentary rule, an almost contemptuous underestimation of the existing society and a widespread cynicism concerning fundamental social values and the respect they deserve. It will not be easy to repair the damage this has done.

The Progressive Party, which was borne forward by its founder's unchecked tidal wave, will never be the same again after his sentencing. No party that wants to make a contribution in Folketing can live with a lawbreaker as its standard-bearer. The party's Folketing group must continue the process of liberation that has long characterized it in its relations with Glistrup. When it confirms its position this fall as part of the government's base, it must do so in the awareness that its situation--and its parliamentary possibilities--are different than they were when its domineering leader was with them. If the party is to have a future it must find the sensible course that Glistrup never trod. It cannot base its work on a hope that he will be able to return in years to come nor should it be cowed by fears that this might happen.

Mogens Glistrup's tumultuous decade is over and only he himself and perhaps his most fanatic supporters could imagine that he could again arouse the nation some day and gather the popular masses behind him, as he did in 1973. The conditions will be entirely different and so will society. If all goes well, the reorganization policy that will lead in these years to a number of re-evaluations and reforms in many areas will have made a strong impact. With luck the present government will remain in power a long time and a new Social Democratic government would be unable to lead society back to the conditions that provided such fruitful soil for Glistrup's agitation. And a new government would not want this to happen either.

The verdict--the final verdict--over Glistrup will confirm the change in a political era which was inaugurated back when the four-leaf-clover government was formed. For this reason, some people will tend to regard the whole year-long trial process as something politically inspired, the outcome of which

was determined by purely political factors. They will be fired into this idea by Glistrup's own overheated reaction. However he is not the victim of anything but his own actions. The verdict of the Superior Court is clear and easy to understand in its description and condemnation of the nature of the crime, leaving no basis for martyrdom. Nor should the highly individual way of thinking exhibited by the man sentenced, which was noted by several of the judges, provide such a basis.

6578

CSO: 3613/139

## GREENLANDERS VISIT USSR, DISCUSS PAN-ESKIMO JOINING

Godthaab GRONLANDSPOSTEN in Danish 8 Jun 83 p 22

[Text] A festive touch in connection with a meeting in Leningrad where Greenlanders and others are preparing a book and film project on the history and culture of Arctic areas.

The authors' society in Leningrad is housed in a large and elegant building. The stately mansion once belonged to members of the nobility in Czarist Russia. But after the communist revolution in 1917, the revolutionary leader Lenin took the building and presented it to the city's authors' society.

Recently there was a demonstration in the building's auditorium of traditional dances from northern Siberia. Young students from this outlying district of the Soviet Union performed for guests, including some from Greenland--who have come to Leningrad to discuss a book and film project, previously reported in AG [GRONLANDSPOSTEN], on conditions in the circumpolar area.

UNESCO, the United Nations organization for culture and education, is backing the project.

## Two Long Books

Carl Christian Olsen, M.A., from Ilisimatusarfik (Inuit Institute) is representing Greenland at the meeting in Leningrad. He told AG that two large volumes are now under way. The manuscript for the first book, which will be around 600 pages long, is expected to be completed in February or March 1984. It will deal with the history of the Arctic people before and after colonization. The second book, which will be about the same length as the first, will come later. It will focus on art, legends, literature and poetry.

Both books will be written by authors and scientists from among the original populations. And Professor Robert Petersen of Ilisimatusarfik will be one of the contributors to the first volume.

The books will be followed up by a film project that will be based on the contents of the books.

UNESCO will publish the books in English, French, Spanish and Russian. But Carl Christian Olsen has learned that there are possibilities for seeking funds in order to publish the books in the languages of the respective Arctic inhabitants.

To call attention to the book and film project, UNESCO plans to hold an art exhibit in connection with the organization's general assembly in Paris this October.

#### Know a Lot About Greenland

Carl Christian Olsen and others from the "western hemisphere" were unable to visit Siberia in connection with the short stay in the Soviet Union. "But we were able to talk with many people from northern Siberia. We also met young Siberian Inuits [Eskimos] who are being educated at Leningrad University. We talked to them for a long time. These were productive talks in which we learned a lot of different things about conditions there.

"One can tell that they have been aware of conditions among other Inuits. For example, they know that there are political parties in Greenland and they know their names. They have also heard a lot about ICC [Inuit Circumpolar Conference]. And they know we have home rule in Greenland. The Inuits in Siberia also have a form of home rule together with the Chuktas, who live alongside them."

#### Siberian Participation in ICC?

When asked his impression in connection with the views of Soviet authorities on Inuit cooperation, Carl Christian Olsen replied:

"During the meetings, we got the impression that the Russians are very open to the peoples of the Arctic. Author Yuri Ryktheu, who is descended from Siberian Inuits himself, even said that there might be a possibility of participation in the ICC general assembly this summer, where Siberian Inuits are concerned. But that would first require an official invitation from the government of Canada. Canada will host the next ICC general assembly."

6578

CSO: 3613/139

## PRESIDENT KOIVISTO INTERVIEWED ON POLITICAL, FOREIGN ISSUES

Helsinki HELSINGIN SANOMAT in Finnish 19 Jun 83 pp 17-18

[Interview with President Mauno Koivisto by Erkki Pennanen and Janne Virkkunen: "One and a Half Years As President"; date and place not specified]

[Text] Mauno Koivisto would restrict his right to dissolve Parliament and believes that the Communists have adjusted to their opposition role.

President Mauno Henrik Koivisto, 59, has not changed one bit in the one and a half years he has spent in the presidential palace. He is very much the same sort of man as former Prime Minister Mauno Koivisto — but so very different from his predecessor, Urho Kekkonen.

He quickly said hello without looking us in the eye. His handshake stuck in our minds from the airplane on the way to the state visit or on the return trip home: The shovel-like hand does not quite squeeze, it just grabs hold of your hand.

Still giving one the impression of being shy and distant, Koivisto obediently acceded to the wishes of the photographer when the daylight entering his study did not seem to be enough. We moved into the living room where right away the president put his checked jacket on the back of a chair in a homey way and indicated that his guests might do the same. It was a fairly hot day.

Opening remarks were omitted and questions did not have to be led up to beforehand. While the familiar modesty and reserve dominated his external behavior, his inner self seemed to have become imbued with conviction and self-confidence. He no longer needs to fear strangers any more than intimates.

The president's hand was often raised to his cheek, as he used to do before, and his gaze sought out either the edge of the ceiling or the open harbor area through the window of the palace. His train of thought was occasionally meandering, Koivisto-style. His thoughts gushed out apparently aimlessly, often seemingly confused.

As far as foreign policy issues were concerned, he phrased his ideas in particularly languid fashion. On more domestic issues, he was at times capable of

showing more enthusiasm and his manner of speaking returned to that very folksy Turku dialect of his. The president began to be awfully surprised....

[Question] Mr President, how has the change of role from prime minister to president been going? What do you feel is the biggest change involved in it?

[Answer] The change has not really been so awfully big. I used to occupy a post at the Bank of Finland and had to take into consideration general attitudes all the time, so I could not follow the lines laid out in party position papers to any great extent.

I feel the change in the sense that, at least as concerns public statements, I am condemned to passivity in accordance with the principles I espouse. I can no longer voice my opinions on matters in the way I was in the habit of doing so before. But I certainly have adjusted to my situation with no worse difficulties than that.

[Question] How does it feel, for example, to read in the newspapers Dr Ahti Karjalainen's judgment that in the final analysis his overly cordial relations with the Soviets and the fact that he has been stamped as Kekkonen's man at a time when we are being dragged down in the dirt because of Kekkonen were the essential factors behind his being fired?

[Answer] Well, of course, it's nothing to rejoice over... but I couldn't, on the other hand, in any way take on such a statement.

[Question] In your own opinion, what has been the most essential consideration in shifting from the Kekkonen era to the Koivisto era?

[Answer] I don't want to endorse that whole line of thought that maintains that a change in presidents produces a different historical period here in Finland. Moreover, it's hard for me to go ahead and pass judgment. Such appraisals are at this time being actively presented.

It seems to me rather that the changes have been small ones. Some people here have been saying that some special climate in which debate has been liberated now exists. But we certainly discussed things in Kekkonen's time too. They are different periods.

I really start to worry when important national affairs also begin to be bandied about by loose tongues. At such times one begins to wonder whether people might not find other things than these sensitive issues involving international policy and Finnish foreign policy for their leisure-time activities.

[Question] At the end of your visit to the Soviet Union in Kiev, did you feel that we could not really speak of a transitional period in Finnish-Soviet relations, rather that these relations are largely independent of internal events occurring in both countries and changes in leadership? Did this in particular prove to be so in high-level discussions engaged in during your visit?

[Answer] Naturally, an expression like transitional period was not used in those discussions; that figure of speech was contained in the question addressed to me in Kiev. But, of course, in connection with the visit both sides in different ways stressed continuity and the value of preserving continuity. I don't recall any intimation that they over there felt that this was a period of change.

[Question] Following the discussions you engaged in, how does Finland's position in today's world of tension look to you? Are there prospects that might give you cause for concern, particularly as regards Finland?

[Answer] Not any that would affect only Finland. Developments have been in general very unsatisfactory. As for the Madrid follow-up conference, which concerns us, for several weeks now the situation there has remained completely unchanged. Summer is just beginning and with it vacation time and a cessation of activities. Many deadlines are beginning to be questionable. According to the NATO twin resolution, this year they will start to install the new missiles in Europe.

These seem to be comparatively threatening courses of development. Our position is advantageous but, if a bigger dispute should arise, it would naturally create problems for us too.

[Question] Within several months time you have recently met with the leading statesmen of all the Nordic countries and the Soviet Union. Does unanimity prevail among all of them as to the importance of stable conditions in Northern Europe and how they may be preserved?

[Answer] One can hardly say that unanimity prevails. All of them, of course, seem to agree that a stable situation should be preserved and that, if it changes, it must change in the direction of better, not worse relations. There certainly is a lot of willingness in principle to move in the direction of improving relations.... Obviously, there are, however, different ideas, which diverge from one another, as to what kind of situation and in which direction the situation is developing.

[Question] Mr President, how big a threat do you see that the stability of the situation in Northern Europe might be wavering?

[Answer] We have made an effort to do what may be to some extent dependent on us so that the stable situation would be preserved and trust among our neighbors would grow and in that way the danger factors would diminish. In my opinion, it is hard to judge how developments will shape up in the future.

[Question] In connection with your visit to Norway, you speculated that the strengthening of Lapland defenses might be one way of reducing the NATO powers' concern over the creation of a military vacuum in that area. Are you of the opinion that Lapland's defense readiness should be increased beyond what it is now?

[Answer] Its readiness has been and will be increased. At that time in Norway there was talk of possible interim discussions between us and Norway. Naturally, we have frequently discussed these questions. Kekkonen too proposed his so-called border peace initiative thinking that the uncertainty might thus be reduced.

With respect to Norway, we have tried to obtain a little more reciprocity. We have emphasized that we want to maintain good relations and that we present the threat of no danger. If an agreement is not acceptable, couldn't we think of some sort of solemn declaration? Maybe it will come to that at some time.

If our neighbors on both sides feel that the fact that we don't have enough military strength in Lapland represents an uncertainty factor and if increasing our strength and defense readiness were to result in our neighbors' feeling that they could make do with less, that would be furthering their own stability.

[Question] In discussing Norwegian and Danish nuclear arms policy, very little attention has been devoted to the fact that, as far as Finland is concerned too, there is no legal agreement that would prevent foreigners from bringing nuclear weapons here in a crisis situation. What political guarantees do we have that that won't happen under any circumstances?

[Answer] In my closing address to Parliament last March I stated that Finland would not allow nuclear weapons to be brought into its territory. The debate we engaged in last winter, which in part assumed somewhat unfortunate forms, was concerned with that legal situation. This legal-theoretical debate was just enough to serve other purposes too and people started to jump to sensational conclusions on the basis of it.

The plan for a nuclear-weapon-free Northern Europe is also one way of implementing this effort so that it complies with the requirements of international law.

[Question] Sometimes the further qualifying word, active, is added to the expression, Finnish neutrality policy, and sometimes not, How do you view this extension of activity?

[Answer] Of course, we are active all the time inasmuch as we actively follow situations throughout the world and particularly developments in our immediate area. Right now, there is actually an ongoing discussion of such matters at various levels.

As far as our participation through different kinds of actions is concerned, it has recently been concentrated particularly on the follow-up conference in Madrid. There, together with other neutral and independent countries, we have tried to come up with solutions that would have to be endorsed for all concerned.

The level of activity also fluctuates. It is not as if there were times when there is no kind of activity. Sometimes it is more visible, sometimes less visible. In a recent appeal to the Madrid conference presented by six neutral

and independent countries, attention was focused on the fact that this group had at that point exhausted all options available to it. That was one way of stating the matter. No new proposals could be anticipated from that quarter after that.

[Question] Mr President, let's get back to the foreign policy debate in Finland. Some time back you said that it is an essential part of Finnish democracy. Later, however, you exhibited impatience with it and spoke of a political debate engaged in under the protection of the fig leaf of academic debate. Can't we Finns any longer afford democracy with respect to this?

[Answer] That was quite a far-reaching conclusion. Of course, debate sometimes assumes very nasty forms. Debate becomes political when people try to influence policy through it. They are no longer satisfied with specifying different kinds of options, instead actually try to rock the boat.

At the Paasikivi Club I suggested the idea that political and academic debate might be separated from one another. If an academic debate gets to the point where through it people try to influence political decision-making and that image of our affairs that is created throughout the world, it is no longer in principle any sort of academic debate, but a political debate engaged in under the egis of academic debate.

[Question] You spoke of the doomsday prophets and constructors of threatening scenarios. Is it not to be feared that the debate that has now been launched may be stifled altogether?

[Answer] I granted SUOMEN SOSIALIDEMOKRAATTI one interview on that topic and presumed that a slightly more enlightened debate would be carried on after that. But no debate at all was engaged in after that. Is it a fact that we are only prepared to engage in debate in some sort of thundering way and all discussion ends with that?

When I spoke of prophets, it should have been clear to everyone what and whom I was referring to. A lot of people just announced that they had been offended. The extent to which they actually regard as their affair the forecasting of exceptional future developments comes as quite a surprise. It's not enough for them to forecast normal developments.

[Question] How do you feel about the view that, to raise the standards of foreign policy debate in Parliament, a special foreign policy debate should be organized once a year as in the other Nordic countries?

[Answer] In connection with the handling of the budget, the parties normally present their positions on foreign and international policy. But even then no debate is produced. So the only question that arises here is: What kind of debate would there be if one isn't even produced in connection with the budget?

[Question] At the beginning of your term in office a debate was kindled over the tightening of control over the press and contacts with the president. How do you view this issue from your own standpoint?

[Answer] Yes, there was even talk of creating a press secretary post in the President's Office. What work would there be for a press secretary to do here? What would he have to report? The current practice is one that our system requires. The government takes care of practical policy and officially reports on it. The Ministry of Foreign Affairs concerns itself with the administration of foreign affairs operations.

I have always interpreted things such that our system is first and foremost a parliamentary system to which other elements have been added, not, for example, like the American system to which parliamentary features have been added. Even before the elections I pledged that I would strive to improve our system in a more parliamentary direction.

[Question] Mr President, since 1937 Finnish governments have been largely built on a foundation composed of the center parties and the SDP [Social Democratic Party]. How endlessly can this basic arrangement last?

[Answer] Of course, we have broken with it time and again, but have always returned to it. Certainly during the period from 1958 to 1966 there was a great deal of sighing: If only we could get back to that old foundation that was regarded as a good one. There are many factors here that speak in favor of such an arrangement. Particularly the number of parties.

Naturally, between times we always look about a bit to see whether there might be other alternatives. Before there was much talk as to whether the old, so-called nonsocialist parties alone commanded a majority and whether it was big enough for us to be able to think of it as a permanent government arrangement. The answer has always been no.

In the end, the question always boiled down to whether there would be cooperation between the SDP and the Conservative Party. Since the SDP has not shown any interest in achieving that, it has been a question of choosing from among the center parties and how a majority is produced.

So it has very often ended in this kind of coalition. Between times statements have appeared to the effect that there should be requirements for action on the part of this sort of government coalition, but it has, nevertheless, perhaps constituted a more stable basis.

[Question] Overnight the SMP [Finnish Rural Party] became a party fit to join the government. How big a surprise was the SMP's getting in to you and what kind of a party is it basically?

[Answer] Naturally, it was to a certain extent a surprise, although there were indications that that would happen. I believe that it was a considerable surprise to the chief negotiators too. The party itself has been a characteristically very active opposition party.

If we consider parliamentary voting these past few years, we can see that the Conservative Party has wanted to occupy a special position even in terms of being informed by the government and it was often the case that in the course of a vote the Conservative Party did not vote against the government when the SMP voted.

Apparently a fair amount of debate has been engaged in in the SMP. Regularly in connection with the budget, we can see how the SMP has adapted to this very much new role for them and this adaptation is going on all the time.

[Question] In the SDP you were known as an advocate of a coalition with the Left. Were you disappointed when the SKDL [Finnish People's Democratic League] was left out of the government?

[Answer] That was actually last fall. One situation followed another such that it was a bit unclear as to how active an effort was being made by the SKDL. I got the impression that there was a very great conviction on the part of many other parties that there was a clearcut, active movement in the SKDL to try to get out of the government coalition.

I had the impression that maybe the active movement among them that others believed to exist did not. But I did realize that their willingness to be part of a government coalition had diminished. Particularly the SKDL Socialists felt disappointment in the spring when things went as they did.

As for the Communist Party (SKP), it was probably tired and perhaps entertained the hope that, if the party was not involved in the responsibility of governing, their internal issues would be aggravated to a lesser extent. While these were factors, it is very hard to assess them from the outside. I certainly had the impression that they were also fairly well reconciled to the idea that they would be in the opposition.

There is absolutely no question of any very big issues having been involved here. It is, however, possible that there were many factors that slightly influenced them to move in the same direction.

[Question] What would the president's role be in the forming of a government?

[Answer] A year ago I had to take a hand in affairs to a greater extent, since we couldn't find a prime minister. But after the elections last spring, especially since the government parties retained their majority in Parliament, I have had the idea in the back of my mind that the government should continue as is unless we agree to do otherwise. If anyone does not want to stay on, let him assume responsibility for putting an end to the coalition. It has always, constantly, been an arrangement that provides for any contingency.

There is after all no requirement that says that a government, unless it has suffered a total defeat in elections, must resign. I had decided in my mind that under no circumstances would I appoint any executive ministries or governments run by civil servants. This was the principle involved and, when there were indications that the government parties were interested in effecting a new arrangement and a new composition of the government, that's what set things off.

[Question] Did your attitude toward a government run by officials affect only that situation?

[Answer] It was the general attitude as well as having to do with the situation. I have been the finance minister of a minority government and have at close hand followed the actions of a civil servant government. If the government has no support in Parliament, it sometimes happens that the parliamentary majority feels itself responsible for handling matters. There may be difficulties in getting it to recognize its responsibility again.

[Question] President Urho Kekkonen strongly influenced government decisions. In your opinion, is the president also responsible for the direction domestic policy moves in?

[Answer] Sometimes he exerted his influence. I don't think you can say that he regularly did so, but sometimes, especially as regards details. Once he started to direct the negotiations for a government. That was probably in 1972.

I feel that the president has no responsibility in any special way for domestic policy. Of course, he is responsible for it as a whole and for its holding together. We may assume that it is the president's business to closely follow what is going on and beforehand attempt to further developments that are advantageous from the point of view of the nation.

But in recent years governments in general have taken care of their duties in a particularly responsible way. As far as I myself am concerned, I have felt no special need to publicly express any particular concern over this, other than what I proposed in Parliament.

[Question] Could you imagine appointing during your first term in office a nonsocialist majority government, a government composed of those parties that opposed your election as president?

[Answer] Yes, I was prepared for that. I felt that to be very unlikely considering how many parties might be likely to get into such a one and what all it would include. I wasn't especially happy over the prospect.

[Question] Could the president refuse to appoint a government which the parties that rely on a parliamentary majority have agreed to?

[Answer] It's presumably formally possible, but it would probably result in not only a political crisis, but also a constitutional crisis.

[Question] Mr President, it has been said that a broad coalition is needed because of stipulated majority rules. Are there grounds for easing up on the rules?

[Answer] I have been of that opinion and still am. I feel that it is a doubtful blessing from the standpoint of the opposition as well to be saddled with the responsibility in terms of halves. Since it is customarily a matter for legislation, one wonders whether there ought to be such far-reaching stipulated minority rules.

On the other hand, it would be very interesting to see whether even a simple majority would be in favor of our significantly raising the question of rules. At one time SKP Stalinists advanced their views that we should under no circumstances compromise on them. The Left has often advocated such ideas, but not flawlessly or consistently.

[Question] The Government Rules Revision Committee, or Hallberg Committee, has proposed that the government's position be strengthened through a relaxation of the stipulated minority rules. What is your opinion of that?

[Answer] Especially when it is a question of national economy laws or authorization laws, it seems to be asking an awful lot to require that they be enacted in accordance with the procedures ordained in the Constitution. In such cases preventing speedy action often means actual prevention [of enactment of the law]. It is not only a deferment veto, but often a final one.

[Question] The Hallberg Committee has proposed that presidential election procedures be revised to bring them closer to those of national elections. Would revision of election procedures require a change in the president's position with respect to Parliament?

[Answer] Very good ideas with regard to this have been proposed. Especially in connection with the last electors elections, the press was awfully fascinated with the possibility of a dark horse candidate. It poisoned the atmosphere. I cannot say that it would have worked against me, just the opposite.

But it soured a lot of people. People thought that there ought to be a system that would exclude such a possibility. And that's what I thought, that you strive for what has been proposed.

Then there is that serious question. If we go directly into an election, will that strengthen the president's position with respect to Parliament? Before, I went ahead and supported the notion that that body could be mollified by reducing the president's national authority. The committee's recommendations are aimed in that direction.

[Question] Would the choice of a prime minister, for example, shift from the president to Parliament?

[Answer] No. The committee is proposing that the prevailing practice be reinforced by law. And that certainly means that the president will have no greater actual freedom of choice. Probably in those negotiations the parties represented in Parliament enter into among themselves decisions will be shaped and, if the president takes exception to them, the consequences will not be favorable.

If Parliament were to choose the prime minister, those who are not to participate in the government would be participating in the choice of a prime minister. I believe that the present system has worked very clearly and well in that respect.

[Question] During an interview a year ago you were of the opinion that the president should have the right to dissolve Parliament only in certain situations. Which ones?

[Answer] At present there are no provisions for that in the law. The president can dissolve Parliament and that's a clearcut provision. There doesn't have to be a government crisis either. I understand that efforts have been made to clear up the matter. But they have been unable to reach agreement since clear formulations have not been found.

For the future, regardless of who he is, it would be a good thing if the president's right to dissolve Parliament were in some way defined. If there were a requirement, for example, that there must have been a long-term government crisis or something of that sort before it is invoked.

[Question] Are you in general willing to transfer power from the president to Parliament.

[Answer] I have not tried to get entangled in power. On the other hand, as long as our Constitution is the way it is, especially as far as foreign policy is concerned, that power cannot be delegated. In my opinion, the practice that we have developed here is quite good.

When we start with the premise that the system is mainly a parliamentary system, that means that the president does not pursue his own policy. Primarily only when the president makes decisions affecting the government and Parliament as institutions are those decisions final.

If the president is of a different opinion from that of Parliament, it is generally over a government bill and that too is part of the parliamentary system.

[Question] Is the Hallberg Committee's report a disappointment to you? After all, there were very few concrete proposals in it.

[Answer] I remember that, just before the presidential elections, I wondered how everyone could declare such great enthusiasm over far-reaching reforms which no one has so far been able to agree on. The unanimity of the Hallberg Committee affords us an opportunity. It gives us hope that such reform may be carried out, even though criticism has been raised against it.

But this is, of course, an assumption and the committee's report will be subject to thorough discussion. I believe that lively debate on this will be engaged in in Parliament and then we'll see whether such great unanimity is obtained that something can be done about it. It will very likely result in the reforms' being pretty modest.

[Question] Just before the last presidential elections, following Dr Kekkonen's 25-year term in office, there was a great deal of talk about limiting the presidential term of office to 2 years. The Hallberg Committee has not, however, raised the question. Do you have an unambiguous opinion on limiting terms in office?

[Answer] I haven't changed my mind. As I recall, I said that limiting terms in office is in no way frightening idea. I have also stated that, considering things in general, 12 years is a pretty long time. But for some reason or other these questions have not now been raised.

[Question] In Urho Kekkonen's time it was the custom for the president to choose the foreign affairs minister from the party to which the portfolio was to go. You have apparently left it up to the parties themselves to decide on. Is that true?

[Answer] That's not the correct interpretation. I can't say that that interpretation is correct as regards Kekkonen either. Was it regularly handled like that or in some other way?

This question has certainly been of the keenest interest to me. But recently there have been two highly qualified candidates. You can't jump to the conclusion that just anybody could be minister of foreign affairs.

[Question] It has been said that your former party, the SDP, has become stronger since you were elected president. In your opinion, does the danger of Social Democratic supremacy exist?

[Answer] There seems to be a lot of talk about this development. I've heard very little explanation of what is meant by this sort of talk. Nor have I noticed that any examples have really been presented in support of such a claim. Apparently it's a sort of somewhat more generally felt threat, a very vague thing, not specific.

[Question] The big American newspaper, the NEW YORK TIMES, recently wrote that you suffered from the comparison with Kekkonen. We have engaged in that in this interview too. Mr President, have you suffered?

[Answer] I don't understand what could have been meant by that. It was presumably a way of saying that it especially bothered me in some way. I recall saying that it's sometimes uncomfortable when people say that things wouldn't have happened that way in Kekkonen's time.

I remember saying that, on the other hand, it is easy to be Kekkonen's successor. Our affairs here are in good order, we have an active, working society and good relations with our neighbors, a recognized international standing.

I don't recall that I ever said or felt that the comparison with Kekkonen bothered me. Sometimes it may be a little uncomfortable.

11,466  
CSO: 3617/144

## FOREIGN MINISTER: COUNTRY SHOULD CONCENTRATE FOREIGN AID

Helsinki HUFVUDSTADSBLADET in Swedish 17 Jun 83 p 6

[Text] Foreign Minister Paavo Vayrynen believes that our limited foreign aid to underdeveloped countries should be concentrated on fewer projects and in areas in which we already have experience. Vayrynen, who on Thursday opened a seminar in Esbo under the title "What Development With Finnish Support?" asked if it is reasonable to select more program countries for our aid.

According to the Foreign Minister Finland should be firm that the least developed countries' share of aid will remain large.

Vayrynen also wants development cooperation to concentrate on the social sectors where our country has the best conditions for making a contribution. He mentioned especially agriculture and the development of the countryside, where Finland could raise its input to the level of the other Nordic countries. Other areas that he emphasized were education and health care.

## Effects of the Projects

Minister Vayrynen also said that in choosing subjects and projects for aid we should take into consideration the effects that different measures have. As examples he mentioned whether a project increases or reduces the number of jobs, whether it strengthens or reduces regional differences in the recipient countries, whether it improves or worsens the position of women, whether living conditions are improved in the countryside, or more people are lured to the big cities, and whether the environment and natural resources are protected, or the environment and resources are destroyed.

Vayrynen also emphasized that in addition to the material effects, the social and cultural effects should also be considered.

## Are the OECD Criteria Sufficient?

The foreign minister also confirmed that according to quality criteria of the OECD, Finland's foreign aid stands at a very high level. But he ques-

tioned whether these criteria can be applied to other than the least developed countries. He wondered whether other criteria should be developed which would measure the real results better than the present criteria.

Paavo Vayrynen began his statement by noting that the debate on our foreign aid has lately become more critical. We discuss the quantity and quality of the aid, the distribution between different receiving countries, and the question of whether the aid is dictated by commercial or purely unselfish interests.

#### Underdeveloped Countries Decide for Themselves

Vayrynen emphasized that one can not dictate a certain development with outside foreign aid. One can only support the receiving countries' own efforts toward development. The question is therefore only what social and economic development should be supported, according to Finland.

On this point Vayrynen referred to the principles of 1974 which drew up guidelines for development aid. These principles, however, only give a general outline.

The seminar around the theme of which development aid to foreign countries Finland should support continues today. HUFVUDSTADSBLADET will continue its coverage.

9287

CSO: 3650/231

## POLL INDICATES INCREASING SUPPORT FOR COALITION PARTIES

Helsinki HELSINGIN SANOMAT in Finnish 19 Jun 83 p 8

[Text] Nearly all the government coalition parties have increased their support since the parliamentary elections in March.

The new coalition party, the Finnish Rural Party (SMP), has increased its support the most. Its popularity has risen by eight-tenths of a percentage point. According to the latest opinion poll on voting patterns in the communal elections, the support figure for the SMP is 10.5 percent, whereas it was 9.7 percent in the parliamentary elections.

According to the newspaper KESKISUOMALAINEN's first opinion poll since the March elections, published on Saturday, the Social Democratic Party has also strengthened its position. Support for the party is now estimated at 27.2 percent, which includes an increase of half a percentage point.

The Finnish People's Democratic League (SKDL) has lost support, since the opinion poll gives the party a popularity figure of 13.6 percent. In the parliamentary elections 14 percent of the voters gave their vote to the SKDL.

The Conservative Party also lost its position by a two-tenths of a percentage point drop from the one it occupied in the parliamentary elections. The party's support is now 21.9 percent.

Center Party popularity rose slightly, by a tenth of a percentage point, and it is right now 17.7 percent. The Liberal Party also lost support.

Support for the Christian League changed from 3 to 3.1 percent in the elections. Support for the Swedish People's Party slipped from 4.6 to 4.3 percent.

The Constitutional People's Party lost half of its support, which is now two-tenths of a percent. The Greens' popularity has remained the same as before, 1.5 percent.

The relative strengths of the socialist and nonsocialist parties since the elections have remained almost the same as before. Of those who responded to the poll, 40.8 percent support the socialist parties and 59.2 percent the

nonsocialist parties. The change for these since the elections amounts to a tenth of a percentage point in favor of the parties of the Left.

In a poll conducted on the economic situation, 1,836 citizens entitled to vote were interviewed between 10 May and 14 June.

In that poll they attempted to measure support for the parties with particular emphasis on the communal elections. The question asked in the interviews was: If the communal elections were to be held now, which party or which party's candidate would you vote for?

11,466  
CSO: 3617/144

## ALMGREN BEATS DOWN CHALLENGE, REELECTED CHRISTIANS' LEADER

Helsinki HELSINGIN SANOMAT in Finnish 19 Jun 83 p 6

[Article by Kari Huoviala: "Almgren Denies Disputes Over Policy; Westerholm Withdraws from Christians' Chairmanship Race"]

[Text] Kouvola—In the opinion of Finnish Christian League (SKL) chairman Esko Almgren, 50, there are no actual disputes over policy in the party despite the fact that some people at the party congress that came to an end on Saturday claimed that there were.

Disappointment with the outcome of the March parliamentary elections gave rise to criticism directed against party leaders. On Saturday in Kouvola, after he was reelected chairman of the SKDL, Almgren said that the flood of criticism about policy disputes at the party congress was not reported.

According to Almgren, no concrete proof that the party line had changed, as critics had claimed, was produced during the lively debate engaged in at the party congress. Therefore, Almgren did not feel that any kinds of policy revisions were necessary either.

Almgren pointed to the bitterness created by the crushing defeat in the parliamentary elections and said that he had been forced to function as a lightning rod. Almgren surmised that the misunderstanding with regard to policy disputes may also have arisen because party members are unaccustomed to using political language.

## Jarvilehto Led the Opposition

Among the most conspicuous of Almgren's critics during his chairmanship was Ulla Jarvilehto, who lost her seat in Parliament and who, referring to their differences of opinion, relinquished her post as third SKDL chairman in Kouvola.

Among others, Eero Hirvonen, the former chief editor of the party organ, KRISTITYN VASTUU, and Paavo Ahoinen, the former secretary of the SKL parliamentary delegation, also spoke of a change in policy. Both of them recently gave up their party duties.

At the party congress Hirvonen proposed that Raino Westerholm, 63, the former chairman who has been on the sidelines of politics for a year now and whom Almgren ousted at the Oulu congress last summer, be taken back as chairman. Westerholm too criticized the dimming of the party line.

In Hirvonen's opinion, Almgren could have been the second chairman and Ulla Jarvilehto the third. Hirvonen's proposal came to nought, however, when Westerholm gave his ridiculed speech. He announced that he was not available.

Westerholm said that he had not received the nod from above that they were waiting for him. Judging from the speeches and demonstrations of favor, the fact that there was a large number of Almgren supporters in the conference room also probably influenced Westerholm's final decision.

#### Unanimous Choices

After Westerholm's announcement, Almgren was unanimously reelected party chairman. The choice of Olavi Ronkainen as second chairman was also confirmed without any grumbling.

There was to have been a contest over the third chairman's seat. The party congress election organizing committee's candidate for the post was department head Jouko Halme of Lahti. He, however, announced that he was abandoning his candidacy in favor of the youth candidate, health center doctor Antti Jarva, 27, of Lappeenranta, who was elected to the post left vacant by Jarvilehto.

#### "Party Secularized"

In the opinion of those opposed to Almgren, the SKL has slid too much in the direction of worldliness. Critics said that the party has begun to engage in tactical maneuvering and is ready to compromise on basic values in striving to achieve political goals.

The critics do not approve of the policy Almgren is advocating to win over the Center either. In plain language in the conference room Jarvilehto referred to the Center Party as a twilight party whose fading into obscurity during the period it has been in power will in time be evident.

In conclusion of the party congress the SKL endorsed a number of public statements in which they among other things expressed their concern over [the country's] economic policy, demanded a peace effort in accordance with basic Christian values and improvements in the situations of those of little means.

The party congress also announced its support of President Mauno Koivisto, who they asserted was successfully continuing with his predecessors' foreign policy line.

11,466

CSO: 3617/144

## CHRISTIAN PARTY CONGRESS DISCUSSES POOR ELECTION RESULT

Helsinki HELSINGIN SANOMAT in Finnish 18 Jun 83 p 6

[Article by Kari Huoviala]

[Text] Raino Westerholm's return demanded to increase support.

Kouvola—The Finnish Christian League (SKL), which suffered a defeat in the parliamentary elections, indulged in self-criticism at its party congress which began in Kouvola on Friday. In the opinion of the most critical of the SKL members, the decline in support can only be reversed by replacing the party's leaders and revising the party line.

Former member of Parliament and former party leader Raino Westerholm strolled through the corridors of the congress hall as a living symbol of the party line of bygone years. He was asked to return to politics to save the party from the secularization which it was felt had led the party to final ruin.

Outside the conference room, Westerholm freely expounded his views on the state of affairs in the party and the reasons for the March election defeat.

In Westerholm's opinion, the choice of the Center Party as an election coalition partner was a mistake. Together with the decline in support, the unsuccessful election coalition dropped the number of SKL representatives in Parliament from 10 to 3.

After the fact it was estimated that retaining the coalition with its old election coalition partner, the SMP [Finnish Rural Party], would probably have brought the SKL even more than 10 seats in Parliament. "I would have chosen the SMP," Westerholm said.

Westerholm also criticized current party leader Esko Almgren in rather plain language for backsliding on the Israel issue, which in SKL circles is regarded as being one of the foremost issues in order of importance.

Because of his duties as a member of Parliament, last spring Almgren had to with hand outstretched welcome to Finland the PLO delegation that arrived in Helsinki for an IPU conference.

Because his wife had a headache, Almgren did not manage to get there at all to welcome the Israeli delegation.

Westerholm said on Friday that he would under no circumstances have consented to welcoming the PLO delegates. He called the PLO a terrorist organization that is trying to destroy Israel. As the SKL sees it, on the other hand, Israel is "the people of God's estate."

#### Dispute Over Policy Did Not Break Out in the Conference Room

Two different lines of thought were apparent on the opening day of the party congress in Kouvola. Policy differences did not, however, reach the point of breaking out into open dispute in the conference room since those who took the floor used Christian circumlocutions instead of direct criticism.

On the other hand, there is in the SKL the "more political" line promoted by current chairman Esko Almgren, which is an attempt to turn the SKL into a party that belongs to the political Center and to get it to cooperate with the other centrist parties.

On the other hand, there is in the party a "more religious" faction that stresses basic Christian values at the expense of policy-making, in the opinion of whose representatives the SKDL has become secularized and lost the "vision" that guided its actions in the early years of the party.

Current party leaders have been criticized for rejecting the old legacy by many conspicuous SKL politicians, among them Erkki Korhonen, Jorma Fred and Ulla Jarvilehto, who gave up her post in the party administration in protest. All three also share in common the fact that they were dropped from Parliament in the March elections.

A return to the policies of the early days was demanded on Friday in many of the congress speeches, among which the motion raised by Olavi Majlander, one of the party founders, was exemplary. Congress delegate Eero Hirvonen even spoke of a return to the "Majlander-Westerholm line."

#### Almgren As a Lightning Rod

Chairman Almgren felt that he had been forced into a position in which he has functioned as a lightning rod since the parliamentary elections, an object on which people's disappointment over the election defeat has been unleashed.

Almgren very cautiously assessed the possibility that he would have to compete with Westerholm. Almgren was of the opinion that 1 year is too short a time in which to draw conclusions as to his performance. Almgren was elected party chairman in place of Westerholm in Oulu a year ago.

In a political review he gave at the congress, Almgren said that there is only room for the best possible leadership in the party. Later he did not venture to specify the meaning of his words.

In his speech Almgren among other things criticized the way results were calculated in the recent elections, a method that was not reliable in his opinion. By way of example, he referred to the rally involved in calculating the results in South Hame. In South Hame the SKL lost a seat in Parliament to the Center Party.

The SMP, which, in the opinion of the SKL chairman, changed course with record speed once it got into the government, also drew criticism from Almgren.

11,466  
CSO: 3617/144

## FIRST POST-ELECTION POLL CONFIRMS STEADY LOSS FOR SKDL

Helsinki HUFVUDSTADSBLADET in Swedish 22 Jun 83 p 2

[Editorial by Bjorn Mansson: "Restructuring Confirmed"]

[Text] The first poll after the election confirms the wind which blew in March. After the municipal election next year the municipalities will also be able to adapt themselves to the Koivisto Republic's restructuring of political life, according to Bjorn Mansson.]

The first opinion poll after the parliamentary election, conducted by Taloustutkimus at the behest of the Center Party newspaper KESKISUOMALAINEN, does not indicate any dramatic shift in party strength conditions. But the first Gallup poll after an election is always worth closer analysis.

The poll, which was conducted between 10 May and 14 June, during the first month of the new government, appears to confirm and strengthen the wind which blew during the election in March, and caused the restructuring of our political life, which for a long time could be foreseen. It is only natural that the up and down trends for the various parties proved to be self-reinforcing--the winners of the election are moving ahead on their success, while the losers continue to have unfavorable winds.

The poll thus confirms that the Social Democratic Party further strengthened its positions, while the People's Democratic League [SKDL] on the other hand lost ground. The People's Democratic League's support of 13.6 percent is now exactly half of the Social Democratic Party's 27.2 percent. The trend confirms the ongoing restructuring within the Left.

Professor Risto Sankiaho, who interpreted the poll results for KESKISUOMALAINEN, made the prediction that SKDL support from now to the beginning of the 90's would sink to a level of 7 percent. The Social Democrats would win a corresponding share of voters. That drastic prediction must be taken with a large pinch of salt, as it appears to reflect the professor's own Social Democratic sympathies. A more realistic guess would probably be that both leftwing parties' support is developing in the direction of 30 and 10 respectively.

The Conservative Party, which was expected to win in March, lost seats and some of its popularity and now stands at 21.9 percent. Just as insignificant as the Conservative Party's defeat was the Center Party's (including the Liberal Party's) advance to 17.7. It is interesting that the National Coalition Party does not seem to have received any additional support because of the formation of the government, while the actions of the Center Party in that connection did not result in any minus points.

The Finnish Rural Party shows the most significant change, an increase from 9.7 percent in the election to 10.5 now. The result is noteworthy, especially since the Rural Party usually ranks low in the polls.

The success can be interpreted to indicate that the party's government involvement has gained new voters. Nor have the old voters reacted to the charge of "treachery" launched at the congress of the Finnish Christian League. It remains to be seen how it will go for the party in the long term when the party also shares responsibility for less popular government decisions.

All in all it appears that the present government coalition has the support of public opinion, while the opposition parties on the right and left have not had any immediate success with their profiling. That is said with reservations, because the government has hardly been able to begin its work in the time before the Gallup poll interviews. The exception from the government parties' success is the Swedish People's Party, which according to the poll has gone a little backward, to 4.3 percent. As the Gallup authorities themselves admit, the results are uncertain for smaller parties.

On behalf of the small opposition parties, it is noted that the so-called Greens, despite their election success, did not get any additional wind in their sails. The breakthrough in the election could have been expected to convince doubting "green" thinking voters that the Greens are coming to stay, and that it would pay to invest in them. That effect has so far, at least, not been forthcoming.

Also the support for the Finnish Christian League stands at the same level as in the election, about 3 percent. It remains to be seen how the party congress over the weekend will affect voter opinion. The meeting is marked by the tug of war between Esko Almgren's modern, more "worldly" profile and former chairman Raino Westerholm's "old Christian" line.

To the reelected chairman's credit it should be included that in spite of strong criticism he did not give up, but held fast to his line, which gave priority to cooperation with the middle parties. Despite that, events showed that the Christian League is not ripe for cooperation in the real middle group of parties. Its Jacob's battle is scarcely over.

But back to the Gallup poll results. The subject of the interview was asked how he would vote if the municipal election were held now--the next general election is of course the municipal election in the fall of 1984. Although the poll figures do not indicate great changes compared with the parliamentary election, they could on the other hand mean great upheavals in many municipalities.

Compared with the municipal election of 1980 the Social Democrats should move ahead by fully one and one-half percent, and the People's Democrats go back by fully three percent. The Conservative Party should lose only one percent, while the Center/Liberals should suffer the great crash, a loss of fully 4.2 percent compared with the total of both parties' results in 1980. The Liberals could almost pay for the loss, their support of 3.2 percent the last time seems to have evened out. It will be difficult to try to explain the fusion with the Center as a success.

For the smaller parties the changes are less dramatic, with the large exception of the Rural Party, for which the support should be more than tripled compared with 1980. If that success actually takes place, some municipalities will see their political strength relationships stood on their heads. The Rural Party, however, does not usually have candidates in all municipalities, and its attractive name in the national elections does not appear everywhere. So the revolution need not in practice be as great as it appears on paper.

Still it is obvious that the municipalities will have to adapt themselves to the Koivisto Republic's restructuring of the party map.

9287

CSO: 3650/231

## CP CHAIRMAN KAJANOJA COMMENTS ON EXCHANGE OF MEMBER CARDS

Helsinki HUFVUDSTADSBLADET in Swedish 21 Jun 83 p 6

[Article by L.H.: "Loss is Great When FKP Exchanges Cards"]

[Text] How many communists are there really in Finland? That seems to be a complicated question, to say the least. Certain information says that the membership loss in the ongoing exchange of party cards will rise to 20,000 persons. Party chairman Juoko Kajanoja claims that the operation has increased activity and is going to bring in more members this year than last.

"The exchange of party cards is our normal way of determining the number of activists. In general it is always stimulating," said Kajanoja yesterday.

He emphatically rejected all talk of a mass flight from the party. On the contrary, according to Kajanoja, FKP [Finnish Communist Party] is going to have more paying members when the exchange of party cards is completed than at the end of last year.

It is a Communist Party custom to exchange party cards every tenth year. That always leads to a certain reduction in the number of members.

"The turnover is usually between 65 and 70 percent," said Kajanoja on the radio. "That is normal."

It should be noted that Kajanoja, in his comparisons, is using the number of paying members from last year--1982--as his point of departure. Not the total figure which FKP usually gives when the number of party members is stated.

#### Not All Pay

The number which has been given out for a long time is 50,000. That is the basis for information concerning a mass flight, and it compares with the number of paying members who are believed to be counted after the exchange of party cards.

At the last party congress many delegates believed that the final figure of party members' dues did not at all agree with the given number of party members. That led to an angry exchange of words.

Groups within the party accused each other of not paying their members' dues to their district organizations, which pass on a part of them to the central committee. The disturbance resulted only in an admonition to increase the effectiveness of dues collection.

It also happened that the inner conflict within the party has led to the rise of, if not a paper organization, in any case paper members. Kajanoja did not deny that had happened during a previous phase of splitting, but claimed that they have now all been purged.

#### 'Very Small Group'

The FKP leader did not deny that a certain political flight from the party has happened in connection with the exchange of membership cards.

"But that is a very small group of people," said Kajanoja.

Instead he emphasized that there have been a lot of deaths since the last exchange of membership cards. Kajanoja also added that a number of members neglect to renew their cards, if they are not especially active.

From the circles which have left the party, figures have been received of a slightly different nature than presented by Kajanoja. When the party chairman claimed that at the turn of the year there were a little under 30,000 paying members and that it looked like the number would climb to a little over 30,000, the defectors pointed to the nonrenewed cards.

In 1963 there were 6,500 nonrenewed cards. Ten years later in 1973 13,000 persons withdrew. And now the number is believed to have risen to 20,000.

The exchange of party cards will continue until the end of June. Kajanoja has promised to give exact figures later in the summer.

9287

CSO: 3650/231

## LARGE SOVIET EMBASSY STAFF SEEN INVOLVED IN ESPIONAGE

Oslo AFTENPOSTEN in Norwegian 27 Jun 83 p 3

[Article by Thorleif Andreassen: "The Russians Will Maintain Their Overrepresentation"]

[Text] Why do Norwegian authorities permit the Russians to have so many employees at their embassy in Oslo? This question has been raised by the people after every case of expulsion in the last 35 years. Changing Norwegian governments have answered, among other things, that we have extensive cooperation in a number of areas with our neighbor state. There is no indication today that Norway is going to reduce or put a ceiling on the Russian Embassy representation in Oslo. And that consists of 95 persons. Norway has 17 in Moscow.

It is further pointed out that the Soviet Union is a superpower and at their embassies they do not employ citizens of any of the host countries. Those persons attached to the Russian Embassy are Russians. Wags claim that the large delegations are necessary because of the difficulty of managing the bureaucracy and inefficiency.

There are 95 persons attached to the Soviet Embassy in Oslo. Thirty-three of them have diplomatic status and 35 are functionaries. In the trade section there are 3 diplomats and 24 functionaries.

As a comparison, Norway has 17 attached to its Moscow embassy: 6 diplomats, 7 office functionaries, and 4 guard assistants. In contrast to the Russians, we have six local employees. The six Russians work as servants, chauffeurs and messengers--in any case officially.

None of the East European countries have employed Norwegians in their embassies in Oslo. The Polish Embassy has 17 employees, 9 diplomats and 8 functionaries. DDR has six diplomats and six functionaries. The Czechoslovakian Embassy has 5 diplomats and 11 functionaries. The Romanian Embassy has three diplomats and two functionaries. The Hungarian Embassy has four diplomats and seven functionaries, while Bulgaria has four diplomats and three functionaries.

The United States has 32 diplomats and 39 functionaries at its embassy on Drammensvei. In addition 53 Norwegians are employed in the American Embassy.

As to embassy representation in this country, Norway follows the Vienna Convention on Diplomatic Contact of 1961. Among other things it says, "In the absence of expressed agreement on the size of a station, the host country can require that the size of the station be kept within such limits as it considers to be reasonable and normal--in view of the circumstances and conditions in the host country--and the needs of the station in question."

It is not, however, common diplomatic practice that the host country establishes the size of the respective stations. One of the exceptions is England, which has placed a ceiling on the Soviet diplomatic representation in the country. When the British expel Russians, they do not permit those expelled to be replaced!

If Norway wanted it, we could expand representation in Moscow. For our part, however, it is a question of resources.

Norwegian authorities deny entry permission to Soviet diplomats who are expelled from a NATO or a Nordic country. On the other hand, nonexpelled diplomats are approved even if they are identified or suspected of being agents for the KGB or the military intelligence service GRU.

The authorities say that the decisive factor must be whether those concerned do something unlawful in this country. But that is also the catch. It is assumed that in the Soviet Embassy in Oslo well over half of the employees work for the KGB or the GRU.

9287

CSO: 3639/134

## PAPER COMMENTS ON FIRST POLL SINCE FORMATION OF COALITION

Oslo AFTENPOSTEN in Norwegian 27 Jun 83 p 2

[Editorial: "Clear Voter Tendency"]

[Text] A new opinion poll from the Market and Media Institute [MMI]--the first since the reorganization of the government--shows strong fluctuation, such as we have become used to in the political barometers from MMI. But the main tendency is nevertheless clear: a remarkable stability at a high level for the Conservatives, while the Labor Party is obviously not getting any rewards for its opposition policies. The June measurement of 37.3 percent--compared with 37.7 percent the last time--seems to confirm a weakening of support for Gro Harlem Brundtland's party.

What that tells, first of all, is that the Labor Party has underestimated the voters with its incessant and strained vilification of everything the Willoch Government has done to get the Norwegian economy on its feet again. In addition the Labor Party's alternative policy--to the extent that it can be seen as an alternative--has inspired very little confidence.

Most people naturally agree that it would only make things worse if in today's situation an obviously inflationary policy were carried out, with new pumping up of prices and costs--something which would further undermine Norwegian competitive ability and jeopardize still more jobs. What is now expected of the parties and the authorities is willingness and courage to take hold of the problems and use the means that a distressed economy requires. The political medicine which the government has prescribed can be both bitter and sharp, but it will give us--without a doubt--a justifiable hope of coming out of the impasse which an unsuccessful and irresponsible Labor Party policy has brought us into. According to the economic experts there are many indications that we are on the right road. The government's policies are beginning to work as intended.

An opposition party which finds itself in the closet and not in the arena where economic policy is formed, will be weak in the fight for the voters' favor. But still, considering individual political factors, we believe for our part that the Labor Party's hanky-panky on security policy has been the

most probable cause of the party's relatively weak standing. The deviation which has taken place away from the main line in Norwegian foreign and security policy has created concern and insecurity within a growing number of voters--yes, also among the Labor Party's own supporters. A continuation of the Labor Party's new course in security policy, such as it has been expressed in the missile issue, can be a heavy and serious burden for the party when it tries to recapture government power in 1985.

The recorded declines for the Christian People's Party and the Center Party from May to June are interpreted by certain media as proof that the two parties will lose from government cooperation with the Conservatives. It is really too superficial a conclusion to draw based on a single poll, so much more so because in connection with the government expansion persistent attempts were made to create the false impression that the two middle parties were completely "dominated" by the Conservatives. Gradually as the Christian People's Party and the Center Party have reason to stress their government positions, we believe that their standing among the voters is going to be strengthened--just because for the first time in a long time they can participate actively in the formation of policy.

9287

CSO: 3639/134

## POLL FINDS WILLOCH, JAKOBSEN POPULAR WITH VOTERS

Oslo AFTENPOSTEN in Norwegian 25 Jun 83 p 3

[Article by Morten Malmo: "NOI Poll Shows Half of Norway Satisfied With Prime Minister--Willoch/Jakobsen Get Good Marks"]

[Text] The voters value Prime Minister Kare Willoch and Center Party chairman Johan J. Jakobsen very highly. A poll conducted by the Norwegian Opinion Institute [NOI] for AFTENPOSTEN shows that approximately every other Norwegian is satisfied with Prime Minister Willoch. Remarkably also fully 59 percent of those asked believe that Jakobsen is a good party leader. He almost scored a "knockout" against Gro Harlem Brundtland, who previously this year was considered by 44 percent as a good leader of the Labor Party. The NOI poll also shows something else: Johan J. Jakobsen is much more popular among his own party members than Harlem Brundtland is among the Labor Party members.

"Are you satisfied or dissatisfied with Kare Willoch as prime minister?" This was the question which was asked by NOI in May. Of the 1004 persons asked, 48 percent said they were satisfied, while 42 percent were dissatisfied. Three percent chose the alternative answer "both" and six percent answered "don't know."

Among Conservative Party voters 90 percent are satisfied with Willoch, and it is worth noting that among the voters who belong to the Christian People's Party and the Center Party 74 percent are satisfied with the prime minister. Twenty percent of the Christian People's Party voters are dissatisfied, as against only 14 percent of the Center Party voters.

As to those who vote for the Labor Party, 14 percent are satisfied with Willoch, while 78 percent are dissatisfied. In the Progressive Party 57 percent are satisfied with Willoch, in the Liberal Party 29 percent and in the Socialist Left Party 9 percent.

## Highly Paid

Among those who have less than 100,000 kroner income, 36 percent are satisfied with the present prime minister, while half of those who earn between 100,000 and 160,000 kroner are satisfied. Among those who earn more than 160,000 kroner--and that is about one-third of those questioned--58 percent are satisfied with Willoch. Of the LO members questioned, 22 percent are satisfied, and where those questioned are members of other union organizations, half of them are satisfied.

Women and men are equally represented among those questioned. The numbers tell that half of the men questioned and 47 percent of the women are satisfied with Willoch.

## Oslo/Akershus

Divided by age groups, the poll shows that 46 percent of those over 60 are satisfied, against 49 percent of those under 60. Voters in Oslo and Akershus are furthermore more satisfied with Willoch than people elsewhere in the country. In these two counties Willoch scored 56 percent, against 46 percent in the rest of Ostland, 48 percent in Sorland and Vestland, and 44 percent in north Norway.

## Better Than Gro

In May AFTENPOSTEN also asked NOI to pose another question, this time concerning Center Party chairman and currently minister of transport and communications, Johan J. Jakobsen. The question was the following:

"Do you believe that Johan J. Jakobsen is a good or a poor leader for the Center Party?" Fifty-nine percent of those questioned believe that he is a good leader, 21 percent answered that he is a poor leader for the Center Party, while 20 percent had no opinion.

Compared with NOI's April poll for AFTENPOSTEN, in which it was asked if Gro Harlem Brundtland is a good or a poor leader for the Labor Party, Jakobsen came out very well. Forty-four percent of all those questioned believed that Harlem Brundtland was a good leader, while Jakobsen now scores 59 percent. Among the Labor Party voters, 71 percent thought that their party chairman was a good leader. Among the Center Party voters 87 percent express satisfaction with Jakobsen. Conclusion: As a party leader, Jakobsen enjoys greater confidence from the Center Party than Gro Harlem Brundtland does from her party. Sixty-two percent of the men questioned and 57 percent of the women believe that Jakobsen is a good leader. That is also the opinion of 63 percent of those over 60 and 62 percent of those between 30 and 60, and 53 percent of those who still have not reached age 30.

The poll also shows that Jakobsen is more popular in Sorland and Vestland (63 percent) than he is in Oslo and Akershus, where 54 percent believe that he earns good marks as a leader. Fifty-seven percent of those who earn less than 100,000 kroner and 61 percent of those who have more than 100,000 kroner income are satisfied with the Center Party leader. The same is the belief of 54 percent of LO members questioned.

If one looks at the distribution of the parties, 87 percent of the Center Party's own voters believe that Johan J. Jakobsen is a good leader for the Center Party. In the Conservative Party 73 percent gave the same answer, in the Christian People's Party 70 percent. Forty-seven percent of the Labor Party voters chose that answer, and 68 percent of those who said they would vote Liberal.

9287

CSO: 3639/134

## CHRISTIAN PARTY'S BONDEVIK PRAISES WILLOCH COOPERATION

Oslo AFTENPOSTEN in Norwegian 25 Jun 83 p 3

[Article by Knut Falchenberg: "Prime Minister Attentive to KRF"]

[Text] "It is possible to get Kare Willoch to conform. He is strong, but in the middle parties we have already seen that our viewpoints are taken into consideration," said the new minister of church and education, Kjell Magne Bondevik, speaking about his chief. Bondevik confirmed that there is no fracturing activity when the four cabinet members from the Christian People's Party [KRF] hold separate meetings on government issues. He believes that the country can afford more priests, and he wants teachers to give children Christian "rules of the road" as ballast in life.

Bondevik has the Bible laying beside the telephone book in his cabinet office. Many political opponents want to use that as a symbolic indication that a shadowy figure will now strangle the school system.

"I prefer to begin the day with a silent moment. A daily prayer fortifies the faith. I am saying that because you asked, not to advertise," said Bondevik to us.

"The Bible is not a political reference book which gives concrete answers for our daily problems, but it gives inspiration and foundations. And I mainly wish for no suppression of the happy development of life in the schools.

"For my part--and also the government--the main goal is to fight the tendency toward disintegration in society. In order to accomplish that we are placing decisive weight on schools and day care centers teaching values to the children. The Christian norms are not gloomy straitjackets, but positive helps for getting more out of life, and at the same time avoiding

pitfalls." Bondevik pointed out that free upbringing has not created freer people, but instead has brought out a generation which is at the mercy of wind and weather in the area of ethics.

"Teachers must give children points of reference. If our children are later to make independent choices, they must first have met an adult society which separates right from wrong. That does not prevent versatility or tolerance, and need not require a more strict school system," said the minister.

Bondevik also emphasized that society must put restraints on those who speculatively utilize human behavior, for example video violence and pornography.

"But I am optimistic. I believe some people are beginning to wake up," said Bondevik, who did not want to point out other areas which should be placed under the Christian aims paragraphs.

"Has the government an aims paragraph?"

"Yes, in the negotiations we emphasized that basic Christian values should be included in the protocol. The principle applies to all politics. At one point we believe that the law conflicts with that: on the abortion issue the party must therefore be guaranteed its freedom to work for a position which diverges from the official."

"How will the work against free abortion take place within the government?"

"We must recognize that both within the Storting and in the government the majority favors today's liberal law--in any case, temporarily. Therefore the main effort will be directed toward public opinion. The Christian People's Party will open people's eyes to protect unborn life. I can say that this fall we are planning a large people's march and an action in Bergen under the motto 'Yes to Life'," said the party chairman.

"Is the cabinet minister more loyal to the head of government than to the party that he leads?"

"There is no conflict here. The government is an executive committee in which we members must stick together, and adhere to the government's policies. At the same time it is accepted that the three parties, by their own nature, can work for their own viewpoints. For the government that just means that we reach compromises. It is a mixture of firmness as the party leader, mixed with flexibility as a cabinet member."

"After the prime minister's press conference this week, certain newspapers wrote about an arrogant leader, self-glorifying, with an 'I know best' mentality. Can the small parties manage that?"

"Willoch is a strong politician, and he knows which party he is coming from. But he is not difficult to cooperate with, and I see him as a man who also understands our viewpoints and will reach compromises when it is necessary. As chief he will reach out to public opinion more strongly, but that does not mean that he decides everything on his own. And that will be a big difference between today's three-party government and the purely Conservative Government that we had," said Bondevik.

He mentioned the budget agreement of last fall, and the government explanation as examples that the middle parties have gained important concessions.

Bondevik believes it is unfair to condemn a government after only a couple of weeks. "We will have the first major test of cooperation when the state budget for 1984 is being put together. So far the work indicates that we will succeed, and that cooperation will increase our chances of a good election in 1985."

The 35-year-old theologian from Romsdal will not get to conduct the divine service this year that he had planned during his summer vacation. His government duties must come first. But as a cabinet minister he will assist the shortage of priests in another way than by taking over a pulpit.

"We can afford to install more priests. The manning of churches must be increased. All three parties, and also the Storting, have already decided that we can not afford not to," maintained Bondevik.

Another ambition is to give the church greater freedom in its relations with the state. The cabinet minister will follow that up with a negotiating plan. In the fall he will also present a report on the more advanced schools. In general the quality should be raised both in the basic and more advanced schools. The combined report says that this can happen in a few years time with expanded numbers of hours or with fewer students in the classes. But Bondevik refuses to reveal any concrete actions for fear of giving away budget secrets. "Give us a little time," he said.

From time to time the four cabinet ministers from the Christian People's Party meet on government work. The frequency varies. But Bondevik emphatically denies that it is fractioning activity.

"It is also useful for the government that we can give clear signals of what we think. That facilitates cooperation. It is, however, not so that we sit as three separate fractions in the government, on the contrary the tone is relaxed and constructive."

The cabinet minister did not want to initiate a polemic against Borre Knudtsen, whom Bondevik was forced to terminate because of neglect of his duties.

"I will wait until the High Court has decided on the matter before I say anything about that. I share Knudsen's view on the abortion issue, but as a cabinet minister I must hold myself to the applicable church law." He reminded that in the future the church would have greater self-rule.

Bondevik does not have the figures which would show whether the protest resignations from the party exceed the unusual wave of new members. The party chairman said that he was not surprised that protests against government cooperation occurred, but he had not expected such a powerful public reaction from individuals. He emphasized that the party now has the advantage of having direct influence. Before it was sharper around the edges, but then it was in the spectator seats.

9287

CSO: 3639/134

POLITICAL

NORWAY

BRIEFS

DISSATISFACTION IN CHRISTIAN PARTY--Participation in the government has led to some resignations from the Christian People's Party, something which was also the case last spring after the party congress. Among those who have resigned is former Storting representative Olav Djupvik of Oppland. The party leadership deplores the resignations, but is pleased with the reports from many areas of new members joining because of government participation. [Text] [Oslo AFTENPOSTEN in Norwegian 25 Jun 83 p 2] 9287

CSO: 3639/134

## LEADING UNION VOICES VIEWS CONCERNING NEW GOVERNMENT

Lisbon DIARIO DE NOTICIAS in Portuguese 17 Jun 83 pp 18-19

[Article by Rui Ataide Ferreira: "UGT--Benevolent Expectations of Government Action"]

[Excerpts] The General Union of Workers (UGT), a labor organization created half a dozen years ago as the alternative to the unique status of the Inter-sindical, includes, as is known, unions of workers employed in the ideological sector which governs the country today: the social democratic sector farther to the "right" (PSD [Social Democratic Party]) or more to the "left" (PS [Socialist Party]), and its key leaders are members of these two parties, although the socialist group is clearly in the majority.

A polemic issue for a considerable time, the UGT has in fact, with the passage of the years, been able to become relatively autonomous.

The strong man of the UGT, Secretary General Torres Couto (socialist), when faced by DIARIO DE NOTICIAS with the fact that the forces making up the union organization are the same as those in the "center-leftist government," gave assurance that this will in no way deprive the UGT of its capacity to make claims on behalf of and defend the labor sector. He referred to the reiterated "principle" of trade union independence."

Torres Couto admitted to this reporter, however, that he would prefer to see an alliance of socialists and communists in the government, if this were possible (if the PCP [Portuguese Communist Party] were like the Italian Communist Party, for example). The UGT leader seems to be well aware, however, of the "principle of reality." He emphasized that a viable solution (and what is viable, for the UGT, here and now, is what is best) has been found (through concrete analysis of the concrete situation), with regard to which this union is in a position of benevolent expectation (this phrase is ours), willing to give it the benefit of the doubt (his expression). In any case, some optimism prevails for the time being at the secretariat on Rua Augusta. And he assured us there is a complete consensus between the socialist and social democratic factions.

In fact, the first draft of the labor agreement between the PS and the PSD (arranged, without consulting the trade unionists, by a group including Maldonado Gonelha, Walter Rosa, Nascimento Rodrigues and Luis Morales), which among other aspects unfavorable to the workers, facilitated individual

dismissals, was apparently satisfied in the end. And the firm stand taken by Torres Couto, who told Mario Soares that he was loyal to him but not a blind follower, contributed greatly to this.

Now the second draft of the labor agreement seems to have satisfied the UGT. And its secretary general reiterated to me what he recently told EXPRESSO. I quote: "If there were no commitment outside the agreement, it would be quite acceptable... But if what happens in practice is that the first agreement, which we condemn, is implemented, this could lead to a great split within the PS."

This was without a doubt a first trade union victory (for the UGT). And centrist leader Lucas Pires was able to say, at the parliamentary session on Tuesday, that the only real act of power and decision on the part of the new coalition to date has been that of the secretary general of the UGT; the only one, moreover, to have emerged stronger from the negotiations concerning the formation of the government, without having formally participated in them.

#### The Pact Has Been 'Frozen'

I talked with Torres Couto: we talked face to face. The young trade union leader with the impressive white hair, calm of voice, sincere in regard, fluent and "sensible" in speech, smiled and said, when I spoke to him about the social pact (or the social contract, as the UGT prefers to call it); that for the time being it has been "frozen."

Concerning Minister of Labor Amandio de Azevedo, the secretary general of the UGT said he would prefer an individual with a different profile, but since this man and not some other has been appointed to London Square, he will also give him the benefit of the doubt, since the union has indicated willingness "for dialogue."

As to the owners associations, the UGT is regretful that the Portuguese Industrial Association and its counterpart in Oporto have not "taken on the role of social partners," because of the fact that they are more open and receptive and disposed to dialogue than the CIP [Portuguese Industry Confederation].

It appears that the doors are closed with regard to any joint action with the CGTP [General Federation of Portuguese Workers]. The UGT blames the Inter-sindical for this fact. It stresses that for the present it has been the recipient of numerous insults and slanders. However, it adds that if one day the CGTP were to change its attitude, then "we could all sit down at the same table for dialogue, which would be useful to the workers and to their unions."

But let us return to the PS-PSD government and the position of the UGT with regard to an executive branch thus constituted.

For the time being, the demands of this trade union organization are the following: revocation of the wage ceiling, unblocking of collective bargaining

for public enterprises, resolution of the CP [Portuguese Railroad Company] problem, rehiring of the engineers dismissed or suspended, rejection of the extension of the "just cause" concept as a basis for dismissal, and also rejection of any regulation of the Strike Law which would alter it in any way.

In the longer term, the UGT would like to see the correction of the imbalances existing in the labor sector, and it would like to see the social partners, specifically the trade unions, given an active voice in the Economic and Social Council, where the minimal rules are established for the policies with regard to investments, wages, income and prices, health, housing, welfare and social security, etc.

#### Trade Union Option

And if "things" go badly? And if this seeming smooth sailing in the month of June and the benefit of the doubt should lead, for one reason or another (due to one pressure or another) to a labor policy contrary to that the UGT defends?

The response Torres Couto gave DIARIO DE NOTICIAS was categorical (while at the same time he said he was "certain" that all inclinations in the union are united on this point): "The position of the UGT leaders would be one of frontal combat against the government and unyielding defense of the interests of the labor sector." Both militants and deputies of the PS or the PSD would choose as trade unionists.

And what then? Then, if the situation were to become more acute (from the member-party point of view), Torres Couto stressed, on his word of honor, that he could abandon the PS but not the trade union movement.

Rui Oliveira e Costa, another UGT leader (but a PSD supporter) spoke along the same lines, moreover, in a recent interview with DIARIO DE NOTICIAS. I recall his words when he was asked about possible "difficulties" with his double role (he had just been elected a deputy). "I do not believe that there is any incompatibility. If there were, I would be able to choose ... taking the interests of the workers into account."

5157

CSO: 3542/148

## SOCIALIST PROSPECTS WITH RIGHT-WING POLICIES ANALYZED

Lisbon O DIABO in Portuguese 15 Jun 83 p 2

[Editorial by Jose Miguel Judice]

[Excerpts] The speech given by Mario Soares at the ceremony held to install the cabinet reminded me of Disraeli's famous maxim to the effect that the best form of governing is, in the final analysis, the pursuit of liberal policies by conservative men. If we bear in mind that during the Victorian era, the two major British parties were the Conservative Party and the Liberal Party, we will clearly understand the meaning of this statement, which is without a doubt a bold one. What is certain moreover is that history today confirms that it was the Conservative politician who, in the short periods he could wield government power, achieved the most progressive reforms, and perhaps for this reason, the 20th century recalls him better than his old rival Gladstone, seemingly a man better favored by fortune, despite the longer period he was able to govern.

## Mario Soares and Disraeli

If speeches suffice to ensure the success of governments, I would be able to state already that Mario Soares and his government will be successful. By this I do not mean to say that I subscribe to all his statements, but there can be no doubt that the text which Mario Soares read to the country was a courageous, moderate, firm and clear one. It was courageous because it marked out a sector and defined its boundaries. It was moderate because he did not abuse the natural inclination to blame those who preceded him, even voicing honorable thoughts about Pinto Balsemao. It was firm, because he announced a complex of policies which will be difficult to impose, but which it is essential to carry out. It was clear, because there was no sophistry about the austerity which will follow, the moral reform which will be attempted, or the end to be put to postponement of disagreeable measures.

If Mario Soares had opted for a minority government, he might possibly have chosen another style and perhaps even some different policies. Thus there is no alternative but to contemplate Disraeli's maxim, which I quoted from memory at the beginning. Soares will have to be the man to liberalize the Portuguese system, to alter the institutional shell we inherited from the revolution and which blocks the development of the country. Something had begun to be done prior to him, but it is only now, with the end of the Council of the Revolution, that institutional obstacles and alibis cease to exist.

Mario Soares cannot govern on the left, because this would mean the failure of his government. And he cannot do this not only because the country does not need leftist policies at this point, when there is nothing to distribute but poverty and bankruptcy, but also because his political future and his national image can only be strengthened in this fashion.

Disraeli was not the man who opened up the British system to new social strata out of innocence or an inadequate perception of his party's interests. On the contrary, he clearly understood that the survival of the British political system demanded the extension of the right to vote and that the party which would clearly endorse this policy would survive. Disraeli guaranteed that the Tories of the 20th century, a reduced group during past decades (and those to come), would play the role of the Whigs.

Mario Soares will be the next president of the republic, in all probability, if he is capable of governing in a direction to the right of his party. And this will allow the PS [Socialist Party] to have a future. I state this quite calmly, while it is known that I do not place any special hope in socialism.

5157

CSO: 3542/148

## RELATIONSHIPS OF GOVERNMENT LEADERS SEEN AS PROBLEMATIC

Lisbon O DIABO in Portuguese 15 Jun 83 p 2

[Editorial by Jose Miguel Judice]

[Text] The current speech by Ramalho Eanes was a reproduction, with some nonessential changes, of the speech made at the installation of the Sa Carneiro government 3.5 years ago. Then as now, an observer not overly concerned about day-to-day matters will have noted a certain objective sadism resulting from a joint concern with making it clear that the government was starting out under favorable conditions. Three years have passed and the style has improved, taking on ironic aspects which it would wrong to overlook. A capacity for irony is an indication of two important things: one is a loss of innocence, and the other is a capacity to foresee goals.

One thing is certain without a doubt. A government headed by Mario Soares and Mota Pinto and, to top it all, the latter in the Ministry of Defense, is not a government to the taste of Ramalho Eanes. It is a government which he will not lift a finger to support, and one which the president of the republic will seek to destroy as soon as he has a clear conviction that the time has come to do so.

And even if this were not the case--and who can be sure of what is going on behind the sphinx-like face of the president?--what cannot be doubted is that it will be interpreted in this fashion. Within the two coalition parties there will develop, more or less simultaneously, a process of challenge to Mota Pinto and Mario Soares by those in Belem who think there is support or real tolerance for such a process.

Thus there is no need to get into sophistry or sophisticated interpretations. One may or may not believe in the success of this government formula. One may or may not defend the central bloc system as the ideal solution for dynamically balancing Portuguese society. One may or may not support the leadership of either one of the two coalition parties. What one cannot get around is the fact that if it makes any sense to speak of "Eanism" in Portugal, then the great political dispute in the coming 2 years will be between Ramalho Eanes and the Mario Soares-Mota Pinto alliance.

The great dispute, not the only one. For the next 2 years, but not for more than that. Let these words be read with the specificity I deliberately give them. In doing so I am, in the final analysis, defining the explicit conditions and terms for support. General and personalized support, measured as

it must be by the correction of policies and the support of a specific position in the friend-enemy relationship which is, as is known, what represents the essence of what is political. But not support without criticism or attack, whenever the policies are incorrect or whenever the government and the party leadership abandon the clear definition of frontiers.

And support, moreover, which is not forever. Not only because it is support for the overall and specific policy measures which are essential and urgently needed to reverse the direction of Portuguese development, but also because their goal is to ensure that the 1985 presidential campaign presents distinct political alternatives, without the underlying implication of a continuation of Eanism by other means, in the way that Eanism represents the continuation of the Council of the Revolution, and it the continuation of the MFA [Armed Forces Movement]. For the time being, and I do not even know if it will be true for longer, this suffices. Whether it be candidates, or blocs, or alliances, or strategy, the issue is not for now, but perhaps for later. Or it may not be.

5157

CSO: 3542/148

## MAJORITY OF MINISTERIAL APPOINTMENTS CRITICIZED

Lisbon O DIABO in Portuguese 15 Jun 83 p 11

[Editorial by D.E.F.: "Everything Backward"]

[Text] Studying the new government, there will be those who say that many cabinet posts and appointees have been switched, as if Dr Mario Soares and Prof Mota Pinto had made a game of making this exchange, in order to return the individuals to their proper places during some future reorganization.

For example, Maldonado Gonelha, who would seemingly be better for Labor and Social Security, was appointed to Health; Veiga Simao, who if in the cabinet would perhaps be better suited to Education, is in the Ministry of Industry; on the other hand, Seabra, who might serve better in Culture, can be found in Education; Amandio de Azevedo, who could well serve in Parliamentary Affairs, has been given Labor and Social Security; Melancia, who would also be very good in Industry, is assigned to Maritime Affairs; Rui Machete, who, some people are certain, would be a fabulous minister of social affairs, has been appointed to Justice; Mota Pinto, who some continue to say would make a good prime minister, but who did not want to be in January, finally emerges as deputy prime minister and minister of national defense. Eduardo Pereira, who would make a good minister of housing, appears, although no one can clearly understand why, as minister of internal administration; and Jaime Gama, who would be (?) a good minister of internal administration, some say, or an excellent minister of national defense (?), others say, is, in the final analysis, in Foreign Affairs.

It is an amusing puzzle, and one in which not even Mario Soares represents an exception. There are those who guarantee that he would be a good minister of foreign affairs. However, he will serve in this cabinet as prime minister.

Everything backward. Is the purpose to "switch them back" in some future ministerial reshuffle?

Postscript

And to think that Alvaro Barreto, who could serve as minister of industry, or European integration, or technology, or even economic coordination, has now been appointed minister of tourist affairs, although he will subsequently have to organize the Trade post, that juicy plum, in a sector in which, as far as is known, he never has been nor has had to be an expert.

## BRIEFS

TRADE UNION PROTEST--Two trade union organizations on Terceira Island have criticized Portuguese and U.S. authorities for allegedly "abandoning the interests of the Portuguese workers in connection with the Lajes Military Base." At a press conference held in Angra do Heroismo, the trade unions representing transportation and tourism and food and beverage workers have accused the Portuguese civilian and military authorities of "surrendering to U.S. interests." Claiming that at the American bases in the FRG, the laws of that country are in effect, the trade unionists from Terceira have demanded the right of intervention "in all those matters pertaining to Portuguese civilian workers at the Lajes Base." They also proposed a new wage schedule including increases of 7,000 escudos for each of the 1,500 civilian workers serving at the U.S. Lajes Base. The two trade unions, which include the majority of the workers at that military base, have charged that the U.S. forces have tried to get workers about to win reforms dismissed, without any compensatory payment. [Excerpt] [Lisbon DIARIO DE LISBOA in Portuguese 16 Jun 83 p 10] 5157

CSO: 3542/148

## GONZALEZ-MAUROY MEETING VITAL TO MADRID-PARIS RELATIONS

Madrid YA in Spanish 12 Jun 83 p 13

[Article by Antonio Pelayo]

[Text] Paris--Pierre Mauroy and Felipe Gonzalez have such a long agenda of topics to discuss that they will need many hours of talks if they are to deal with all the issues in sufficient depth. The evolution of French-Spanish relations in the near future will depend in great part on whether they achieve this. The two leaders have the advantage of knowing each other for years and working from very similar perceptions of the situation.

However, the situation of the French prime minister is quite different from that of the head of the Spanish Government, first of all from the constitutional viewpoint. According to the French Constitution, the president is one who carries out the president's decisions, one who coordinates the action of the government and the parliamentary and political majority which supports him. On the other hand, in the Spanish Government the president, according to our constitutional charter, controls the entire executive authority and in that capacity presides over the councils of ministers (in France this is always done by the chief of state), decides what actions to take and simply explains these decisions to the legislative branch.

Second, especially since the formation of his third consecutive government, on account of the setback in the municipal elections, Mr Mauroy has lost a substantial part of his political influence and is seen by observers of the political scene as a mediocre prime minister who lacks sufficient power over opposing ministers and is therefore a nonentity as leader of the presidential majority, which, as is known, includes the Communists. Felipe Gonzalez, on the other hand, also does not have to deal with the intricate problems posed by the thousand internal conflicts dividing the French Socialist Party as it prepares for the congress next autumn.

In any case, Gonzalez and Mauroy must make a great effort so that this relatively quiet period in French-Spanish relations can be a period of consolidation, not just a pause in the action. Whereas the problems

are the ones which are to be expected between two neighboring nations with competing interests, not to mention an extremely combative past, it must be noted also that both sides have added much fuel to the fires or have failed to work hard enough to quench the flames. No one can deny that since the Socialists came to power in Spain there has been a new climate and there are better chances for understanding, although the fruits of accord will not be seen immediately.

The Spanish head of government is receiving his guest today, Sunday 12 June, for a first round of intimate talks, covering basically bilateral issues. The French prime minister is traveling with his diplomatic adviser, Bernard Garcia, and with Antoine Blanca, the Socialist leader who specializes in relations with Spain and Latin America. France's ambassador to Madrid, Pierre Guidoni, will join in the conversations and work sessions when these are not purely personal in nature.

Among the foreign policy issues to be sorted out during these days are the collaboration of the two nations toward stabilizing the regime in Equatorial Guinea and supporting it economically, an analysis of the Central America crisis, the never-ending question of Spain's integration into the EEC [European Economic Community] and military and commercial exchange.

Before Pierre Mauroy returns to Paris, the French capital will have seen the arrival of the delegation of the Congress of Deputies which has been invited by the French National Assembly. On 13 June, Gregorio Peces-Barba, Mr Carro and Mr Bravo, the two vice presidents of the Congress, as well as Santiago Carrillo, among others, will commence an official visit to France. The Spanish parliamentarians are the guests of Louis Mermaz, the president of the National Assembly. However, their list of appointments includes even the president of the republic. Francois Mitterrand will receive the president of the Congress, Peces-Barba, on the morning of 16 June.

If we remember that on Thursday 16 June the new ambassador from Spain, Joan Reventos, will present his credentials to President Mitterrand, we see that this will be a week quite full of events with significance for the future of relations between the two nations.

11,989  
CSO: 3548/447

## DENMARK CANCELS SWEDES' VISIT TO GREENLAND, FAEROES

Stockholm SVENSKA DAGBLADET in Swedish 2 Jun 83 p 11

[Article by Roger Magnergard and Per Sabroe]

[Text] A long-planned trip by Sweden's Defense Committee to Copenhagen, the Faeroe Islands, Iceland, and Greenland this summer has been canceled by the Danish Ministry of Defense.

Committee chairman Per Petersson (Conservative Party) says: "The Danes have advised us that they do not want us to visit the Faeroes or Greenland just now. If we cannot go there, there is no sense in going to the other places either.

"We would prefer to stay home."

The Defense Committee's 15 members were to have made their trip in mid-June on the Air Force's Hercules aircraft. The purpose of the trip, which would have lasted 5 days, was to get an insight into the strategic importance of the Scandinavian Shield.

The trip had been planned for a long time, but it was not until Wednesday morning that the Danes said no to the Swedes in a letter from the Danish Ministry of Defense to the Swedish Embassy.

The letter said very briefly: "There is no possibility of arranging the visit you desire." No reason was given.

Per Petersson says: "It would have been better if we had found out sooner that we could not go. Now we will have to change our plans at the last minute."

"Sensitive Situation"

SVENSKA DAGBLADET has learned that one of the reasons why the Danes said no may be that the military political situation in the Faeroes and Greenland is sensitive just now. There are defense installations in those places whose presence is being protested by the local inhabitants.

If the Swedish Defense Committee went there, it would most certainly be met by demonstrations--not against the Swedes, but against the NATO installations. The Danes want to avoid such demonstrations.

The official position of the Danish Ministry of Defense is, however, that the Swedes' travel plans are too wild.

A spokesman for the Ministry of Defense says: "Among other things, they want to visit three villages in Greenland. But there is no way that they could manage to do that in the short time they have scheduled for the trip. The flight plan is unrealistic.

"But," he continued, "if the Swedes will allow more time, we will be happy to arrange the tour they want. We have no secrets in Greenland or the Faeroes."

The Defense Committee is now hoping to be able to make the trip next summer. Committee chairman Per Petersson is going to Copenhagen next week to take part in a conference on systems and procedures.

"While there, I will meet with representatives of the Danish Ministry of Defense, and I will be able to ask them the real reason why they turned us down."

11798  
CSO: 3650/219

## NATO TO STAGE SEPTEMBER EXERCISE ON ZEALAND

Copenhagen BERLINGSKE TIDENDE in Danish 4 Jul 83 p 7

[Text] In September, Zealand will be the object of a NATO exercise in which around 10,000 men--Danish and allied troops--will take part. The exercise has been given the code name "Ample Express." The first allied troops will arrive here on 4 September. The last will leave by 2 October.

Alongside the land exercise, NATO will conduct a naval exercise, "Botany Bay," in Danish waters. This will occur from 16 to 21 September.

The exercises are part of NATO's overall fall maneuvers, "Autumn Forge," which will take place in several locations across Europe. Danish and allied airplanes will participate in both.

The basis for the exercise is an imaginary tense situation in which Denmark is threatened and the government requests allied help. In that context, the multinational force, the Allied Mobile Force (AMF), which has been called NATO's "fire fighters," is called to Zealand. The force includes about 5,000 men who come from Great Britain, the U.S. forces in West Germany, Holland, Italy and West Germany. There are no Canadian forces in AMF this year.

Most of the foreign soldiers will come to Zealand by plane to Vaerlose, but there will also be some train transport, especially of materiel. Men and materiel will be set ashore from ships in a number of harbors.

The Danish participants in the exercise will be the covering force of the 1st and 2nd Zealand brigades along with a number of recruit units. Around 5,000 men from the army as well as home guard units will take part in the exercise. The exercise on Zealand is being planned and led by the head of the Eastern District Command, Major General N-Aa Rye Andersen.

The exercise will not affect the Copenhagen area. It will take place south of a line that follows the Copenhagen-Roskilde-Holbaek-Kalundborg highway.

6578

CSO: 3613/141

FAROE ISLANDS' NOBEL-WINNING WRITER: NATO IMPACT HARMFUL

Copenhagen LAND OG FOLK in Danish 2 Jun 83 p 7

/Article by Willy Johannsen, Ritzaus Bureau: "William Heinesen: Fears American Influence May Destroy the Faroe Islands' Positive Development"

/Text/ Thorshavn: William Heinesen, the Faroe Islands' great writer, is pleased with the development that the islands where he was born have experienced. But he also looks with concern at their future. As a military base, the Faroe Islands risk being pulled into the tension between the superpowers.

Heinesen was born when this century was only 15 days old. And up in his house at the foot of the mountain slopes over Thorshavn he talks about his view on the development process which he longer than most has been able to observe. From a society characterized by isolation and with almost medieval features in the beginning of this century to the Faroe Islands with a modern Nordic environment with variations in nature and climate and a sought-after location.

NATO Imputed

"It pleases me in general what has happened. There is such speed in the development today. But there are also some things that we are not happy about."

"That is the NATO radar station. We are stuck with it. It has been imputed on us without the Landsting," says William Heinesen.

Otherwise William Heinesen is pleased that the Faroe Islands now is in closer contact with the world through telecommunication and air connections. That stimulates life on the islands. But the growth in religious sects is of concern.

"We have always had many sects here in the Faroe Islands and their number has increased with the air traffic. There is no end to how many there are, and they want to dominate the cultural life. They characterize all cultural life with their talentless songs and missionary nonsense. That is not especially good. It lowers the development of all cultural life."

"It is difficult to counteract that," says William Heinesen. "However, cultural life does develop here. This is manifested in literature, music and especially painting."

"It was with Joensen-Mikines that a really significant Faroese art of painting was created. He launched a new way of painting. And that influence has spread."

Joensen-Mikines was born in 1906 on the island of Myggenaes/Mykines which forms the Faroe Islands' outermost western part in the Atlantic.

"He inspired a development which embraced more than just the art of painting. We here in the Faroe Islands understand that we are able to bring forth some value. In older times it was such that a marked inferiority complex reigned among the Faroese population. The attitude was: 'We are far too few.' 'We cannot do anything.'"

"But then came people who show that we are quite capable."

#### The Language Preserved

William Heinesen experienced for himself as a boy when the Faroese language made its first delicate entry in the schools. It was 2 hours a week. Today all teaching in the Faroese schools is conducted in Faroese.

"Both the church and the schools were completely Danified at that time. But it must be said, however, that it is thanks to Denmark that the Faroe Islands were allowed to keep their language."

"The Danish rulers on the islands did not make the same serious impression on language and culture as wehn the governing rule changed on the two other Atlantic islands groups, the Shetlands and the Orkneys."

On those islands, all cultural life came to a halt because the people became oppressed by the Scottish lords. The language--the Old Norwegian or Old Norse--was replaced by English. It simply does not exist anymore. There are small traces of it in old dialects.

"But in the Faroe Islands the language was preserved. It continued to exist among people where nothing else was spoken. This sounds paradoxical but one can say that there was a certain indifference towards the Faroese language by the Danes which preserved it."

"Late in the last century, an interest blossomed among philologists for the Faroese Language, and Danish researchers made an invaluable contribution here. They simply collected all the poems and wrote them down," says Heinesen.

The Faroese written language did not exist before. It was first created during the middle of the last century by the rural dean Hammershaimb.

William Heinesen thinks, however, that the importance of the special Faroese language has been overestimated. There are also negative sides to it when only slightly over 40,000 persons speak one language.

"We who understand it are so few. It is a very difficult language to understand. And it has difficulties in sliding into a newer Nordic context, but it is an excellent language with a large vocabulary."

"But when it comes to scientific terms we lack words to a great extent. We are therefore forced to make them up and not everybody has the talent for that. Thereby many strange new words emerge which later must be given up because they are too complicated and unnatural."

William Heinesen has written all his works in Danish even though it is just as easy to express himself in Faroese.

"I write in Danish as did Jorgen-Frantz Jacobsen, who was my cousin and author of the successful novel of the thirties 'Barbara.'"

"This is connected with the fact that we belonged to the Danish-speaking element in the Faroe Islands and it was natural for us to express ourselves in Danish."

#### Antimilitarists

William Heinesen is of the opinion that there is special danger for the future of the Faroe Islands. "We can be a piece in the game between the superpowers."

"Above all one must hope that the Faroe Islands do not succumb to too strong an American influence."

"There is nothing against the United States embellishing the Faroe Islands as some kind of backup--in order to gain control over the best harbor in the North Atlantic, namely Skalefjorden," says William Heinesen.

With the entry protected by the Stromo, the largest island, Skalefjorden is an enormous natural deep-water harbor protected in all directions from weather.

The Faroe Islands already have a large NATO radar station and a Loran C navigation transmitter which can be used by American submarines equipped with nuclear arms if they have to adjust the aim of their rockets.

William Heinesen is among those Faroese people who often have protested these installations.

"I am a pacifist and an antimilitarist and this applies to all Faroese people; they are antimilitarists."

"We saw what happened in military training when the Scots and the English were here during the war. That was horrible."

William Heinesen adds his support to the national community, which along with Denmark can prevent the Faroe Islands from becoming directly involved in the powerplay.

"If the Faroe Islands had an independent status, then I am afraid that the United States would come out with a political initiative that would make the Faroe Islands dependent on America."

9583

CSO: 3613/126

MILITARY

DENMARK

BRIEFS

HARPOON MISSILES MADE SAFER--All the Harpoon missiles in the Danish Navy have now been supplied with "chastity belts." And that makes it technically impossible to fire off the dangerous "lady" by mistake. BERLINGSKE TIDENDE learned this from the head of the Danish frigate squadron, Commander Jorgen Bork. "We have permanently dismantled one control and one ignition cable on the missile casing and the cable contacts have been locked in behind a silver-colored 'chastity belt.' And only the captain of the ship has a key that can unlock the belt," Jorgen Bork said. The belt is not removed unless there is a war on. The navy's chastity belt is a consequence of the missile accident last September when because of a double error, the frigate "Peder Skram" fired a Harpoon missile at the summer house area of Lumsas. [Text]  
[Copenhagen BERLINGSKE TIDENDE in Danish 6 Jul 83 p 5] 6578

CSO: 3613/141

## PROSPECTS FOR DEFENSE BUDGET INCREASE

Duesseldorf WIRTSCHAFTSWOCHE in German 17 Jun 83 p 25

[Article entitled: "Budget for the Federal Armed Forces: A Tough Battle"]

[Text] People in the Department of Defense hope to secure a larger piece of the budget pie in the budget deliberations for the 1984 budget.

"We would have arrived at horror figures," a high official in the Defense Department in Bonn describes the budget situation, "if we would have simply carried forward the programs and procurements in the arms sector." But already under FRG Minister of Defense Hans Apel many expensive projects were scratched or stretched. In so doing, the army had to say farewell to 27 percent of its ideal conceptions, the navy--to 50 percent, and the air force--even of 80 percent. While even today the budget situation is not much better, the federal armed forces thus far have not been forced to cease operations in any sphere. At the same time, the increase from 1982 to 1983 of approximately 4 percent in terms of money from DM 44.26 billion to DM 46.08 billion was under the increase of consumer prices of 5.3 percent--in other words, it shrank in real terms.

In 1984 armed forces politicians and the federal armed forces, with the combined efforts of the entire cabinet, hope to secure a budget of at least DM 48.5 billion. Assuming a 3 percent rate of inflation, this would correspond to a nominal increase of 3 to 4 points, that is slightly more than zero growth in real terms.

This result, to be sure, is still far from the NATO goal of a 3 percent net increase. But the advisers of Minister Manfred Woerner believe that with these figures they can hold their own even against Caspar Weinberger, the U.S. defense minister who continually demands more. They are in a position to refer to the fact that such a result would let the military budget increase at a faster rate than the total budget. Besides, Foreign Minister Hans-Dietrich Genscher and his colleague in the cabinet, Woerner, have already indicated Bonn's general direction. The motto: Internal socio-economic stability, too, is a valuable defense consideration. Consequently, during periods of economic bad weather the procurement of large projects, for example, must be stretched."

This motto is also being taken to heart by the armament planners for use by

the Hardthoehe [Ministry of Defense]. In accordance with the twelve-year plan, which is carried forward from year to year, according to which the first five years respectively are always planned out and the prospects for the next seven years are discussed, only the tactical fighter plane (TKF) is in line as the next large chunk. To be sure, one can only speculate about the costs of the successor model of the Phantom for 1995, but already this is striking sheer terror into the hearts of the planners. For if one proceeds from a unit price of between 80 to 100 million and plans DM 5 billion development costs, one arrives--based on the figure of 300 units being discussed within the air force--at DM 35 billion to 40 billion. General Eberhard Eimler, the new air force inspector, too, has understood how serious this financing problem is. He admonishes: "Save, save and again save--we need every penny for the TKF."

Production of the TKF, to be sure, is still far away, but the basic decision must be made by Woerner yet this year because of the 10-year start. Taught by the bad experience of his predecessor in office, Apel, who, in spite of undisputed economic expertise, got into a spin with the financing of the large-scale Tornado project, Woerner knows: Whoever does not gain control of the armament program fails as a minister. Consequently he is operating very cautiously in regard to the TKF question. The only thing that is known is that he is inclined toward a solution involving European cooperation with other NATO partners. Furthermore, a decision must be made between the project proposals of Messerschmidt-Boelkow-Blohm (MBB) and Dornier.

The kinds of financial and political pranks lurking in a European cooperation project are demonstrated by the German-French PAH 2 anti-tank helicopter built by MBB and Sinas. There were bitter arguments about this project in the Ministry of Defense. Originally there were preferences for a U.S. model (AH 64), which was rejected, however, because of the excessively high costs (unit price DM 20 million). Then the armaments department favored the imitation of another American model. It would have been possible to deliver the latter to the army in 1990, that is to say two years earlier, than the German-French joint production, which in addition will swallow DM 500 million in development costs.

After a tenacious struggle, it was possible to convince Woerner that the more expensive model would in the end be the cheaper one. First of all, the German-French PAH 2 is supposed to supply the technological foundation for the helicopters of the 1990's. For this it is necessary to maintain the development capacity of the German aircraft construction firms. Moreover, the invested DM 500 million in development costs are supposed to make the transportation helicopters for army, navy and air force correspondingly cheaper afterwards.

Furthermore, the German-French PAH 2 is a project of symbolic importance. A Woerner staff employee: "Everyone should have known that, after the failure with the German-French tank, Bonn was in no position to decide against the joint helicopter project."

8970

CSO: 3620/398

## POLICY TOWARD PERMITTING ARMS EXPORTS VIEWED

Bonn DIE WELT in German 15 Jun 83 p 5

[Article by Manfred Schell: "Bonn Is Steering a Cautious Course. Faced With Difficult Decisions in Regard to Arms Exports/In 1984 the First Submarine for Chile"]

[Text] Bonn. Regardless of its decision on possible deliveries of tanks to Saudi Arabia, the new FRG government is confronted with difficult decisions with respect to arms exports. In the FRG Security Council, which must weigh economic interests against possible foreign policy implications, applications for the permission of arms exports are piling up. According to information of DIE WELT, the FRG government, in view of the very difficult situation of the shipbuilding industry, is inclined to take up applications for this sphere for the time being and, if it can be justified, to respond positively. What is involved here is the delivery of fast patrol boats for Indonesia, Bahrain, and Ecuador. The first submarine for Chile will quite probably be delivered to the government in Santiago during the coming year. The old government under Federal Chancellor Schmidt had agreed to the construction of the submarines for Chile, but later--because of protests in the SPD-Fraktion--had sought to find other buyers for them.

A decision must be made by the FRG Security Council on the delivery of trucks for Iraq. An application, submitted quite some time ago, to supply 155-millimeter field howitzers to Saudi Arabia has already been granted. The first howitzers are already being supplied. Furthermore, there is the application of Thailand for the supply of the 30-millimeter air defense system "Wildcat". Thailand must defend itself against Vietnamese invasions. A point of discussion was the supply of 47 training planes ("Fantrainer") for Thailand at a total value of about DM 25 million. This application seems to have met with a positive decision in the meantime.

The new FRG government would like to pursue a cautious and, if possible, also noiseless path in the question of arms exports. The tendency toward a certain liberalization in this sphere can be perceived, in the course of which, however, careful attention is to be given so that the economic interests of German enterprises receive greater consideration than up to now, while foreign policy complications are to be avoided at the same time.

What is involved here concretely is the definition of the "vital German interests", to quote the newly-revised guidelines for arms exports. Government spokesman Peter Boenisch has made it unmistakably clear that the FRG government under Helmut Kohl makes its decisions on the basis of "political necessities." The conduct of the former government, he indicated, does not provide a measure for this. Especially in the decisions concerning arms export, it was said in government circles, the authority to decide on questions of government policy vested in the chancellor comes into play. According to Boenisch, this involves not only affairs which are of interest pre-eminently to the FRG minister for economics or the minister of foreign affairs.

FRG Minister of Foreign Affairs Genscher, it is reported, advocated an extremely restrictive policy in the FRG Security Council during the years past and blocked numerous projects through his opposition. On the other hand, however, decisions are now becoming known which cannot be reconciled with such an assessment. Thus, for example, the FRG Security Council under the old Schmidt government in September 1982, that is immediately before the break-up of the coalition, granted permission for the supply of the power units of the modern Tornado fighter plane to Yugoslavia. Today this is interpreted as a contribution to do away with the dependence of Yugoslavia on the Soviet Union in spheres of the arms industry as well.

With the agreement of the former FRG Security Council, the Milan anti-tank weapon was supplied to Syria, which is openly hostile to Israel. On the other hand, an order worth billions from Malaysia--DIE WELT reported about this--was not taken up in the FRG Security Council. For all that, this involved an order which had also provided for approximately DM 5 billion in "civilian" deliveries. When the new government gave its consent, it was too late. Great Britain had received the award.

In 1980 arms exports from the FRG had reached a value of about DM 2.6 billion. In international comparison the Soviet Union occupies first place. "Its development assistance consists of arms deliveries and the sending of military advisers," a high government official in Bonn declared. The FRG occupies fifth place, that is it comes after the United States, France and Great Britain. Fifty-six percent of all arms materials go to Africa and the Near East.

8970

CSO: 3620/393

## OFFICIALS CONCERNED OVER SUBMARINE VIOLATIONS IN ALAND AREA

Stockholm SVENSKA DAGBLADET in Swedish 3 Jun 83 p 6

[Article by Bill Hancock]

[Text] Mariehamn, Aland--Twice in the past year, Aland has dropped warning bombs against "possible" foreign submarines in Aland's territorial waters. The inhabitants of Aland are now concerned over the busy submarine traffic in the Baltic Sea and the Gulf of Bothnia.

The autonomous island province's "head of government," County Council chairman Folke Woivalin, told SVENSKA DAGBLADET:

"It is very alarming when foreign submarines appear in our waters. Not because I believe they are spying on us. We have nothing to show, of course, except beautiful meadows. But they are violating our neutrality, and that is bad!"

In a way, Aland's neutrality is a cut above Sweden's homemade policy of non-alignment. Aland's neutrality is guaranteed internationally by the so-called Aland Convention dated 20 October 1921.

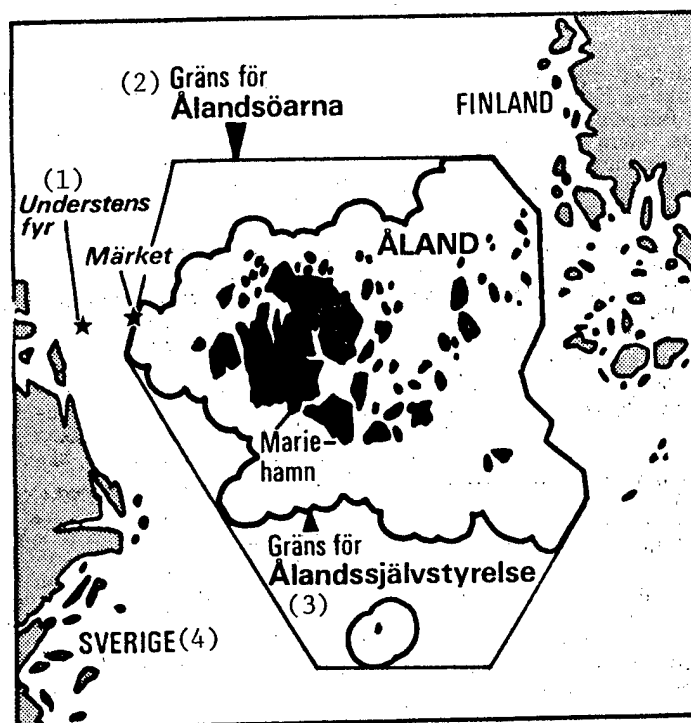
The convention was concluded between Sweden, Finland, Estonia, Latvia, Poland, Germany, Denmark, Great Britain, France, and Italy.

#### No Military

Under the terms of the convention, Aland is to remain demilitarized: no permanent military installations are to be established there, no warships may remain there other than temporarily, the inhabitants are exempt from military service, and so on.

Ambassador and Prof Bo Johnson Theutenberg, an expert on international law for the Swedish Ministry of Foreign Affairs [UD], wrote recently that "all the contracting powers are to assist in measures required to guarantee enforcement of the convention's provisions." In the opinion of the UD's expert on international law, anyone who violates Aland's neutrality is subject to the UN system of sanctions.

Sweden, which was perhaps the most ardent supporter of the Aland Convention in 1921, probably has a big responsibility for Aland's demilitarization and its



The main channel open to civilian vessels passes through Swedish waters between Market and the Understen Lighthouse (a distance of between 6 and 7 nautical miles). The limits of Swedish and Finnish territorial waters pass through Market.

Key:

1. Understen Lighthouse
2. Boundary of Åland Islands
3. Boundary of Åland autonomous zone
4. Sweden

neutrality. In 1939, Sweden wanted to fortify Åland in cooperation with Finland (the so-called Stockholm plan), but it backed down quickly when the Soviet Union said no. So Sweden's responsibility to Åland is primarily moral.

What demonstrable events have occurred in Åland's waters to make people think that Åland's neutrality, and therefore its independence, are being nibbled away at?

## Bombs Against Submarines

Warning bombs have been dropped on two occasions in a single year: 1) in June 1982, when a submerged submarine was moving south in Aland's territorial waters; and 2) when there was a "suspected" submarine in Aland's waters south of Market (on 22 April this year--about 10 days before the Sundsvall incident).

On the first occasion, the order to drop the bomb was given by the head of the Aland Naval District, Comdr Kyosti Karkkainen, to the coastal patrol ship "Kuikka." In the second case, a helicopter was sent from Turku in the middle of the night. The naval district has four helicopters and two twin-engine reconnaissance planes in Turku.

Commander Karkkainen told SVENSKA DAGBLADET: "On both occasions, they were bombs the size of a Maxwell coffee can. They just go pop. We have never dropped one of our big combat depth bombs with 130 kilograms of explosives." He says that the "indication" on 22 April was uncertain and that dropping the bomb was mainly an "exercise."

Commander Karkkainen points out that foreign submarines cannot enter the Gulf of Bothnia "by lawful means." The Sodra Kvarken, which is the body of water at the northern end of the Aland Sea, is such a narrow passage that five boundaries come together over a stretch of 8 nautical miles. It marks the limit of Sweden's territorial waters, Finland's border (24 miles out), the boundary of the Aland autonomous province (3 nautical miles), and the two "edges" of the Aland Convention of 1921 and the Finnish-Russian peace treaty of 1947. There are no international waters here at all. Foreign warships can pass only after announcing their intention through diplomatic channels to Sweden or Finland.

11798

CSO: 3650/219

## ALAND ISLANDS MP: TREATIES PRECLUDE SUB DEFENSE MEASURES

Helsinki HUFVUDSTADSBLADET in Swedish 17 Jun 83 p 15

[Article: "Antisubmarine Appropriation in Parliament--Aland Points to Demilitarization"]

[Text] Since Aland is a demilitarized area, the defense minister can neither directly nor indirectly improve the underwater search and reconnaissance ability in Aland waters, Member of Parliament from Aland Gunnar Jansson pointed out yesterday in the parliamentary debate on this year's supplementary budget.

Jansson supposed that an apparatus for submarine search, which according to the supplementary budget will be procured for 15 million marks, will also be used in Aland waters. Aland is, however, since 1856 a demilitarized area in support of several different treaties.

"I am not concerned that Finland will not comply with these treaties, which are so important for Aland and the Baltic Sea, but the circumstance that the appropriation is being taken up under the Defense Material Administration makes the picture unclear, since guarding the borders comes under the Ministry of the Interior, and is therefore civil."

Jansson pointed out that it is also in the interests of the Aland self-rule authorities to know how the guarding is carried out in practice. "Because there can be gaps in information when two ministries become involved in these actions.

"When the equipment in question is procured and is put into use, I maintain that the Ministry of Defense can neither directly nor indirectly improve the reconnaissance ability in the Alands area. The Ministry of the Interior can do that within the terms of the mentioned treaties and preferably in consultation with the self-rule authorities, but means for such steps do not exist in this supplementary budget, at least not within the material part of the Ministry of the Interior," he said.

The antisubmarine search apparatus was also the subject of a certain debate within the debate on the supplementary budget. The People's Democratic League opposed this appropriation for the defense. Minority Communist Esko-Juhani Tennila ironically recommended that instead of this expensive equipment, some snorkels and frog feet should be procured. The results of the search would be the same as in Sweden...where nothing was found.

9287

CSO: 3650/231

## MI-8 HELICOPTER SOON TO BE OPERATIONAL WITH BORDER PATROL

Helsinki UUSI SUOMI in Finnish 9 Jun 83 p 8

[Text] The biggest changes effected on aircraft in Finland have now been completed: The Border Patrol's first helicopter equipped for sea rescue missions, the MI-8, is now in active patrol squadron use in Turku and will be operational in the next few weeks. A second MI-8 is at present being outfitted. A third will be flown to Finland in August.

We were told at a Border Patrol flight operation exhibition in Turku on Wednesday that the Soviet-built helicopter trio, which is equipped for sea rescue operations. in Finland, will be part of the patrol squadron's equipment by next summer.

"Reasonable for its age," fliers commented on the over-20-year-old model and admitted that the heavy MI-8 is hard to handle.

"It's like the girl you immediately get into trouble with if you grab her too roughly," the fliers told us.

They got a total of 53 million markkas from the government for the three helicopters. The chief of Border Patrol flight administration staff, patrol air fleet commander Lt Col Martti Pakarinen, did not want to say anything about the price of the equipment for adaptation to sea operations. According to unofficial information, the equipping of the three helicopters in Finland doubled the price.

Right from the start, the first MI-8 brought into Finland was shortly after its arrival involved in an accident in which one pilot died. The guarantee was then still in effect, but it could not be invoked because the technical condition of the helicopter was not responsible for the accident. The Finns paid for the loss.

## Deicing an Advantage

We were told that the MI-8 has both good features and weakpoints. The former include the deicing of rotors and the latter the properties of a single-engine aircraft: the lack of an automatic hovering device, noisy and in rescue operations they stir up huge eddies in the sea.

For basic repairs, the helicopters have to be flown to the Soviet Union and before that all Western parts must be removed. They are, however, negotiating with Valmet to in future have repairs done in Finland.

In addition to a five-man crew, the 8,000-kg helicopter has room for from 10 to 15 people who have been rescued. Its longest operation period is 2 hours and 29 minutes with a range of 960 km. Its speed is 210 km an hour. Searchlights that cast a 3,000-meter wedge-shaped beam have been installed in them in Finland for night search and infra-red cameras will be procured later. There is a winch for lifting those who are being rescued out of the sea, with which two persons at a time can be raised.

Devices with which submarines in the sea could be observed from the helicopter will not be installed in the MI-8.

The Border Patrol emphasized that the chief responsibility for submarine watch lies with the armed forces. To be sure, they do not go into the "protected" Aland area either.

#### Turku Most Important

The new helicopters will play an important role in sea rescue. That is why they will be located in Turku, strategically the best spot in the busiest channel area, from which they can spring into action in the directions of both the Baltic and the Gulf of Bothnia.

Turku is also the Border Patrol air fleet's biggest and most important unit. In addition to the three MI-8's, Turku's patrol squadron inventory includes a light helicopter and two airplanes as well as a crew of 16 pilots, 15 technicians, 5 surface rescuers and 5 others.

There is a Border Patrol aircraft depot in Helsinki and also flight crews in Vaasa, Kajaani, Rovaniemi and Ivalo.

At the present time a 37,000-cubic-meter base that will cost 20 million markkas is being built for the patrol squadron in Turku.

#### Comparison Was Lacking

Only the MI-8 helicopter, which finally received its own insignia from the Aviation Board on its side, was seen in action in Turku on Wednesday.

The helicopter exhibition was to have taken place as early as the beginning of April. At that time there would have been an opportunity to compare the American Bell 212, which was rented by the squadron, with the MI-8 helicopter. The exhibition was canceled. "We had very favorable experiences with the Bell helicopter. It handled well," Pakarinen said.

He stressed the fact that the committee created by the Interior Ministry is at present conducting a study to determine what the best types of helicopter are for the next procurements. Ten have already been tested.

## DEFENSE ROLE OF RESERVE CADRES STUDIED

Paris DEFENSE in French Mar 83 pp 36-40

[Article by a group of students at the national association, 'Travail de Defense' for 1982: "The Reserve List and Defense"]

[Excerpts] Introduction

Institution of compulsory military service has led, logically and simultaneously, to the setting up of the reserve system in effect today. In the face of changes in conditions of warfare and in defense concepts, it must be determined whether the reserve cadres:

Can contribute effectively to the missions assigned the armed forces;

Are in a position to participate, in the immediate future, in new tasks within the defense framework;

And are capable of assimilating, between now and the year 2000, the developments needed for permanent adaptation to the requirements of a total defense.

Those questions fall within the context of a general defense concept based on deterrence, which assumes both a nuclear capability and a conventional capability to meet threats which can be defined, schematically, in terms of two principal hypotheses:

1. The short war hypothesis. This is the scenario of a massive aggression against Europe, which implies a generalized frontal attack, limited nuclear strikes, and commando raids on vulnerable points; in its extreme version, this scenario implies a massive nuclear attack allowing for no parry other than identical response and adoption of an economy of survival;

2. The longer war hypothesis, in which we see enemy occupation of a pacifist and unitary Germany, brought to that state thanks to the inertia of an America paralyzed by fear of nuclear attack. This scenario implies a military pressure on our frontiers which would remain below the threshold for tactical nuclear response, and would consist principally of multiform actions (commando and terrorist strikes) against the national economy: in brief, an ensemble of threats aiming at a general "rotting" of the situation in France.

Although French military defense is at present conceived in terms of the first hypothesis, which is considered the more likely, many examples throughout the world indicate that the second hypothesis is far from unlikely. From this analysis are derived the concepts for employment of the reserve cadres.

## I Present Doctrine for Employment of Reserve Cadres

### To Reenforce the Battle Force and Territorial Defense

For the ground forces, the present mobilization plan doubles the peacetime effectives, which are increased from 264,000 to 545,000 men.

This plan is based on the principle of "derivation": to the 15 active divisions which form the battle force are added 14 reserve divisions.

To those are added general reserve units, and those territorial military divisions intended for static DOT (Operational Territorial Defense) missions.

In the hypothesis of a prolonged crisis or of a declared conflict, the general staff has the option of calling on reserves to provide armed protection of vulnerable points within the national territory for which operational strike units cannot assume responsibility. In fact, of the approximately 8,000 vulnerable points tabulated, and in view of the resources available to the ground forces, a maximum of 400 can be systematically guarded.

Wartime requirements by the ground forces for reserve cadres thus reach the level of 25,000 officers and 52,500 NCOs.

### To Supplement Peacetime Cadres

In the event of crisis the Navy would provide for reenforcement of its units (a small proportion of them being units at sea, and a greater portion consisting of staffs, missions abroad, antiaircraft units, and commandos), and would create new units such as UMDs (Naval Defense Units) and USEs (Shipboard Security Units) for protection of vulnerable points and ports.

It would need 1,800 officers and 4,800 petty officers.

Immediately at the onset of a period of international tension, the Air Force must be able to assume wartime operational status. From that standpoint it would proceed to reenforce various units, essentially for staff functions, as well as for logistical, technical, and operational support, and particularly for protection of its ground installations.

Its requirements are on the order of 4,500 officers and 15,000 NCOs.

The Gendarmerie, in the event of mobilization, would follow the Army in doubling its effectives by derivation from its active units. While still performing its peacetime missions, it must in fact take an important part in mobilization measures and in DOT missions.

Its needs are for 1,500 reserve officers and 16,500 NCOs, of whom a large part would come from other services.

The medical service would also call to a great extent on reservists in war-time, since on mobilization it would multiply its hospital beds by slightly more than 5, and since the proportion of reserve medical cadres to permit such an increase comes to 72.5 percent of total effectives.

This brief recapitulation of the missions of reserve cadres leads to questions concerning the quantitative and qualitative adequacy of the reserve "resource" to meet requirements.

## II Adequacy of Reserve Cadres to Missions

### Effectives

Analysis of the foregoing figures indicates that the needs of the armed forces for reserve personnel in the event of mobilization fall largely below the numbers of effectives available.

There are thus, theoretically, more than 50,000 reserve officers and 250,000 reserve NCOs who have no mobilization assignment and are therefore available, in principle, for other defense missions. The actual capabilities of that resource are also open to question.

		<u>Available</u>	<u>Assigned</u>
Army	Officers	55,000 (2)	25,000
	NCOs	250,000	60,000
Navy	Officers	16,000	3,200 (1)
	Petty officers	33,000	5,300 (1)
Air Force	Officers	16,000	4,500
	NCOs	35,000	15,000
Gendarmerie	Officers	1,800	1,800 (3)
	NCOs	12,000	12,000 (4)

(1) Based on assignment of two individuals to each post

(2) Over 100,000 brevet officers

(3) 1,000 detached from Army

(4) 2,400 detached from Army

### Capabilities

Many reservists have the requisite availability, motivation, and capabilities to perform national defense tasks, but are too old to do so, owing particularly to the disparity between their age and that of their active-

duty counterparts of like grade: for example, many reserve captains are between 35 and 40, while most active-duty captains will soon be in the 26 to 32 age bracket. Among NCOs the same is often true for master sergeants and junior warrant officers.

Other reservists do nothing to maintain or improve their military attainments.

For those two reasons, and also because of the unavailability of many of those reservists about 30 years of age--particularly the large numbers of them who work in small and medium enterprises--the Army especially suffers from a severe shortage of captains and, to some extent, of platoon leaders.

In fact, although reserve officers' schools at present provide the candidates needed to officer the national service troops, the Army no longer has available sufficient reservists with desirable qualifications, despite the growing contribution from retired short-service active duty personnel.

That analysis brings out a double problem:

While theoretically very considerable, the reserves do not provide the armed forces with the cadres they require;

On the other hand, the reserves are a resource available for non-military employment within the defense structure.

### III Non-military Employment of Reserve Cadres

Even excluding non-motivated or overage reservists, there remains a good number of them who are suited for useful civilian employment related to the defense of France in case of war or major crisis.

An inventory of such modes of utilization and of the possibilities for assignment of available reservists to such tasks should be the subject of a close study, which we have undertaken here.

Legally, the possibilities for such utilization derive from several fundamental texts:

The National Service Code, article 1;

The status of reserve officers and NCOs;

The order of 7 January 1959, article 1.

The utilization of reserve cadres is related to the principles of civil mobilization, and hence to the procedures and measures necessary to the application of those principles.

be opened to national service reservists within the present legislative and regulatory framework. Our essential concern here is to open new lines of thought for later studies.

It seemed erroneous to us to suppose that peacetime civilian resources will suffice to confront anticipated threats, and particularly the following:

Possible panics with 12 million vehicles having special registration;

Military operations on national territory;

Conventional acts of war or acts of terrorism;

Incendiary or chemical bombing;

Radioactive fallout originating outside France;

Stoppages of electric power, fuel supplies, food distribution, or certain means of transportation, etc.

Certain high defense officials have already examined their problems in that light, and are prepared to make the necessary organizational and training effort.

Existing defense bodies (civil defense and public works) are often reserve bodies, limited in personnel or not yet set up. They can be strengthened or created in peacetime as active bodies, and can perform important peacetime services, for example in implementation of the ORSEC /disaster relief/ plan.

Other defense bodies, or other special active or reserve bodies could be created, particularly for these functions:

Defense traffic control (Gendarmerie and military traffic control sections would not suffice). For refugees and "displaced" persons the resources of the departments traversed would not suffice either, and a specific multi-service body would be needed;

Reorganization of the guarding of vulnerable points through functional mobilization of the entire enterprise, with integration of active defense resources within the enterprise. Present military units on the regional level and at vulnerable points, and overall defense by reserve divisions do not appear sufficient.

Certain specialized civilian activities also need strengthening:

Facilities for defense information and training;

Civil mobilization centers;

Existing measures are defense assignments--collective, or individual for certain activities; recall of personnel retired for less than 5 years; compulsory maintenance of residence; and finally requisitioning for defense. In principle, every public service or private enterprise is linked to a controlling ministry charged with mobilization of activities and personnel, with continuous preparation for such mobilization, and with instruction of personnel.

Present possibilities for utilization may be classified into two broad sectors:

Civil defense;

Economic defense.

(a) Civil defense (decree of 13 January 1963) comes under the jurisdiction of the Minister of Interior and, in the field, prefects of departments are charged with coordination of the various activities of departmental defense offices, general secretariats of defense zones, or CRCs (Information and Coordination Centers).

To those should be added the particular organization for medical and social protection, which concerns the medical and paramedical professions. Nuclear, biological, and chemical surveillance, linked to civil defense, constitutes an important function performed continuously by the competent laboratories;

(b) Economic defense comes under the Minister of Economy and Finance, who orients the action of responsible ministries for defense purposes. The latter have consequently designated a "high defense official" to that end.

For both civil and economic defense, present instructions anticipate that reserve officers may expect individual defense assignments, either in a defense unit or in a civilian service. Effective use of reservists in case of crisis is anticipated in a restrictive way for CRCs, communications, civil and military defense staffs, and for health, supply, and transportation services.

Apart from the cases cited above, there are no statutory provisions other than those relating to the usual categories of personnel: those called up for defense or subject to defense requirements in matters of discipline, pay, or indemnification. In view of the reserve "resources" available, on the one hand, and secondly of non-military requirements for defense which up till now have not been taken into account, it appears necessary to inquire whether new possibilities exist for utilization of reserves.

Possibilities for Use to be Created or Studied

It is manifestly out of the question, within the scope of this brief report, to draw up an exhaustive inventory of all modes of utilization which might

Reception and mutual aid in defense situations (refugees, foreigners, stateless persons, etc.);

Setting up of rationing at the territorial and professional level.

For all those tasks, the need for reserve officers can be estimated at 25,500 for civil defense and 10,500 for economic defense.

#### Realistic Limits of These Proposals

Most could be implemented within 2 to 5 years, but a number of reservists no longer wish to contribute at present to any defense activity. So there is an initial screening to be made, with all desirable accommodations.

For the balance of personnel, it is advisable to require a minimum of volunteer service and of aptitudes consonant with assignments should be required, and a certain flexibility of status, with a minimum of indemnification, rewards, and pro forma promotions.

Two problems arise: that of the necessary studies for setting up this non-military defense, and that of the directing personnel to be assigned to it.

The studies can be conducted only within the framework of each ministry and its own particular defense responsibilities, and coordinated by the Minister of Economy and Finance for economic defense matters, and by the Minister of Interior for civil defense matters. Overall coordination is the concern of the Prime Minister through the SGDN (General Secretariat of National Defense). But in order to be resumed and carried to a conclusion, these studies imply evaluating teams competent in the various sectors concerned and convinced of their vital importance for defense. To that end unpaid "civilian defense advisers" could be designated, who would be analogous to the foreign trade advisers, and who would be chosen from among former auditors of the IHEDN [Institute for Advanced National Defense Studies], whether or not they were reserve officers.

As for the considerable numbers of directing personnel who should be assigned to nonmilitary defense, they could be found easily among available reserve officers who would volunteer, who have no military mobilization assignment, who are not assigned to a collective defense activity related to their civilian employment, and whose number is known to be quite large. They would be distributed in relation to their civilian expertise and places of residence, and their training could be easily provided through conferences or training days on site, at small cost, often by utilizing such available resources as civil servants and the AFPA (National Association for Adult Professional Training).

Concerning their status, two obvious possibilities can be considered: maintaining them in their military arm of origin, which would make them available to the ministers concerned; or placing them in new civilian defense

bodies to be set up. This problem of status appears to be a minor one; the essential is to place the nation in a position not only to counter with its armed forces the direct strategy of the enemy, but by mobilizing the rear areas to sustain the war effort and resist all forms of aggressive strategy.

The credibility of deterrence is not, for all that, brought again into question. It is a matter of insuring that it is not foiled.

#### Development of Plan

The number of military assignments offered to reserve officers and NCOs is far below that of reserve officers and NCOs theoretically available. Moreover, on the one hand young reserve officers do not really feel themselves engaged in a reserve officer's "career," whose outcome they do not clearly see; and secondly, the regulations adopted for active duty cadres in matters of age inevitably lead to sharp disparities between reserve and active cadres in terms of both age and proficiency.

Generally speaking, high defense officials consider that administrative machinery as a whole will continue to function properly in time of war or crisis, and do not always see the possible advantage of utilizing reserve officers or NCOs.

As for the private sector--industrial, agricultural, or commercial--although a list of priority establishments whose functioning must be assured at all times is, in principle, constantly updated by the prefects, it does not appear that there is sufficient awareness of defense problems on the part of managers and heads of enterprise, and "parachuting" of reserve officers or NCOs into an establishment in time of crisis seems dangerous.

The utilization of reserve officers and NCOs, as presently planned and organized, no longer appears to correspond to contemporary economic and administrative organization. A process of development must then be considered which would better take into account the officially announced doctrine of deterrence.

The deterrence doctrine implies a total defense in which all citizens take part. From that viewpoint the body of citizens must on the one hand be trained and informed; and secondly the nation's cadres, by reason of their responsibilities in national life, are particularly concerned. Reservists constitute the spearhead of that body of defense cadres in which each responsible individual then takes his place at his own level and in his own professional environment whether civilian or military.

#### IV The Future of Defense Cadres

This implies the decision to make clearly known the necessity of putting the country in a state of defense, and to that end to call on all the vital forces of the nation.

Military cadres are necessary and meet specific armed forces needs: first, to officer the national service forces, and secondly to activate units on mobilization.

To insure their effectiveness, it is important to reduce the disparity in age and proficiency between active and reserve military personnel. A first approach would consist in limiting the activity of volunteer national service cadres to a very active military life during a period of availability of 3 to 5 years, side by side with reserve officers on active duty or regular short service cadres.

Nonmilitary cadres, men or women, should be progressively informed and trained in defense matters. The goal to be attained would be for each of them, in carrying out their civilian functions, to acquire a sort of "defense reflex." This means that each of them must be sufficiently aware of the country's vital interests to take them into account in their professional decisions, at least to the extent of communicating relevant information upward to responsible authorities. The case of Frenchmen established abroad or working in a foreign enterprise is of particular significance, but in any profession a "defense facet" could be defined in terms of some particular aspect of its activities. Creation of this defense reflex implies definition of a directing group for which civilians, men or women, could be mobilized and trained.

For example, the case of IHEDN auditors has been studied by a subgroup which has drawn up a proposal for more effectively mobilizing those auditors, both men and women, as defense cadres.

The national service, but also agencies and associations concerned in defense, should be drawn on to contribute to train and direct those civilians placed by their professions in positions of importance for the life of the country.

Needed financial resources could be drawn, for example, in part from professional training funds, beginning at such time as defense training came to be considered a national priority.

## Conclusions

Taking as its starting point the proposed topic "utilization of reserve cadres," the working group, composed mainly of reserve officers, was led to note that the present system of reserve cadres is now unsuitable, and that the overall national service structure should be re-examined.

As a bad compromise between the limited needs of the armed forces and unsatisfied egalitarian tendencies, the goals, organization, and management of national service must be fundamentally reconsidered.

Since it is solely focused on officering of national service military personnel, the reserve cadre system no longer permits present wartime needs of

the armed forces to be adequately met; nor, particularly, does it respond to those which would appear if it were desired to set up an effective defense of the interior by constituting modern units at the cantonal level which would have the capability of destroying enemy commandos introduced by infiltration, coastal landings, or parachute drops.

Also noted with sadness was the growing lack of interest shown by the nation's future cadres towards the reservist's role. Reserves are no longer made up of the best, and often reserve service is planned only by those who seek to "rehabilitate" themselves following academic reverses. As such, they have no desire to make a "career" as reservists.

Seeking to determine if there might be possibilities for utilization of reservists in association with various ministries, our group made contact with the majority of high defense officials, and actually found certain possibilities for utilization. On the other hand, we are compelled to note that there rather frequently exists a certain unpreparedness on the part of ministers faced with a troubled situation, and often a lack of interest by ministers in studying these questions. Consequently, unpreparedness and inconsistency of solutions adopted prove very serious. It is enough to cite, for example, the almost generalized shortcomings in preparation of industrial establishments.

That situation led the group to consider the question of more generalized utilization of the nation's nonmilitary cadres (active or reserve) in national defense, starting initially with the IHEDN auditors, who are to be found even among French cadres established abroad. It appeared that they have an essential national defense role, but that in their case everything has yet to be set up: information, training, status, missions, and organization. This study could of itself be the theme of a future defense project.

Dated September 1982

6145  
CSO: 3519/466

## 'FARFADET 83' EXERCISE INVOLVES ARMY, NAVY, AIR FORCE

Paris COLS BLEUS in French 7 May 83 pp 18-19

[Article by Rene Guillemin: "A Farfadet in Roussillon"]

[Excerpts] The Farfadet 83 exercise followed the N'Djambour maneuver (Franco-Senegalese) in December 1982 and Farfadet 82, which took place near Ajaccio in Corsica. All three cases involved the training of the three armed forces, within the framework of an amphibious exercise, to assist a friendly allied overseas country that was calling for aid. Farfadet 83 put into action 2,000 men of the Army, some 50 armored vehicles, 10 warships and 60 airplanes and helicopters from the three armed forces.

Admiral Orosco, commander-in-chief for the Mediterranean, who directed the exercise, personally presented Farfadet 83 (Rapid-Action Force) to the press; he was assisted by Air Force Brigadier General Godard, and CA [expansion unknown] Doniol explained the maneuver as it developed.

The theme of the exercise was assistance to a "green" state that has been invaded and "destabilized," as it is put these days, by a malevolent neighbor, the "orange" party. The latter has infiltrated the green state with its forces and has seized strategic positions. Joined by a part of the green side, it gets into the capital. The state attacked, linked to France by a military-collaboration treaty, calls for rapid assistance. For the exercise, the green state was represented roughly by Roussillon and the southern part of the Languedoc, to the Narbonne-Carcassonne line. France--i.e., the "blue" party--organized the counterstrike.

At Toulon, the Navy set up Task Force 452, commanded by VA [Vice Admiral] Louzeau, whose ensign flew on the aircraft carrier "Clemenceau," which carried 15 airplanes of the naval Air Force and 20 helicopters (Super Frelons, Alouettes and Pumas--the last-named belonging to the ALAT [Army Light Aviation]).

The small amphibious force (the "Ouragan," the "Dives" and the "Argens") was supplemented by the car ferry "Liberte" and the freighter "Saint Servan," chartered by the Navy for the operation.

The Air Force furnished Jaguar fighter-bombers and Transall twin-engine transports. One of the Transalls was set up as a flying command post. The entire Air Force complement was under the orders of General Godard.

The Army, whose elements were either to be disembarked by sea or parachuted or carried in by helicopter, was represented by the 31st Brigade, commanded by General Coulomb. The 31st Brigade, created recently, comprises the 2nd Foreign Infantry Regiment, based in Corsica, and the 21st RIMA [Naval Infantry Regiment], of Frejus; this "heavy" brigade, manned by professional soldiers, is equipped with forward-area armored vehicles (VAB's), Milan antitank weapons, antiaircraft cannons, antitank rocket-launchers and 120-mm mortars. A 155-mm battery stationed at Canjuers is under its orders. For Farfadet 83, the brigade was reinforced by a squadron of AMX-30's and Roland antiaircraft missiles. The 31st Brigade is very different from the other intervention unit, the 11th Paratroop Division.

#### Development of the Operation

The blue party set itself the objectives, after a landing on the beaches of Argeles and Racou, of taking Port-Vendres, relieving Perpignan, pushing the orange party back beyond the border, and finally, reestablishing the authority of the green state.

The transit of VA Louzeau's task force was made under air and submarine threat. Jaguars attacked the naval force. The participation of the "Rubis" permitted an evaluation of the possibilities of the new nuclear attack submarine.

In the night of 16-17 April, the blue party parachuted intelligence units into Lezignan and La Salanque.

On the 17th, the 31st Brigade landed at Toulon and the naval force set sail. In the night of 18-19 April, elements of the commando units Hubert and Penfentenyo, put on the beaches of Argeles and Racou by the submarine "Ouessant," prepared for the landing: beaconing, study of bottoms, etc. But at sea, the south wind blew up. The sea was very rough. Admiral Orosco had to delay the landing. Something similar happened to a certain General Eisenhower in June 1944. On board the amphibious craft, the soldiers learned what rolling and pitching are all about.

But on 20 April, at dawn, the sea calmed. The "Dives" beached on the sand of Racou. The barges, EDIC's [Tank Landing Craft] and CTM's [expansion unknown], coming from the "Ouragan," landed troops on the beach at Argeles. The "Suffren" and the "Drogou" provided fire support. In the air, activity was intense. The orange party tried to prevent the landing, while the Super Etendards dealt with objectives on land. Pumas from the "Clemenceau" landed troops on the nearby hills.

On 20 April, at dawn, the sea calmed. The "Dives" landed other vehicles. A machine feeding out beach cover worked in front of the landing gate in the stem. Jeeps, light armored cars and VAB's came out at a good rate, and the armored groups took their positions around the beach or at strategic cross-roads. The most formidable enemy was the beach's thick layer of sand; when the imposing AMX-30's came through the landing gate, there were some difficulties, some bogging. The bulldozers were given the word, and they very quickly flattened the runway and put the metal beach covers back in place. The line of tanks and trucks kept on coming. And it was hot!

## The Forces Participating

### 1) Blue party

<u>Navy</u>	<u>Army</u>
Aircraft-carrier "Clemenceau"	31st Brigade, reinforced by:
Frigate "Suffren"	1 AMX-30 detachment
Destroyer "Dupleix"	1 Guepard detachment (360 men) (emergency force)
TCD [Landing Ship (Docks)] "Ouragan"	3 scout teams
BDC [Landing Ship (Tank)] "Argens" and "Dives"	1 Roland battery
Frigate "Drogou"	1 detachment of ALAT combat helicopters
Submarine "Ouessant"	2 beach-cover laying machines
Car ferry "Liberte"	
Freighter "Saint-Servan"	
Towboat "Belier"	

### Air Force

8 Jaguars of the FATAc	2 Mirage SR's
6 Transalls of the COTAM [Military Air Transport Command]	1 Transall airborne command post

### 2) Orange party (orange jackets)

1 infantry corps - 1 squadron of AMX-10's - 1 AML squadron  
 Frigate "Commandant Ducuing" and submarine "Rubis," Mirage F1 fighters based at Orange.

Then the "Argens" took the place of the "Dives." The landing was successful. The blue party had sufficient forces to outflank Perpignan on the west.

The day before, the Transalls had dropped 450 paratroopers near the ponds of Salces--a drop made in 20 minutes, at the cost of six slightly injured.

One of the command's concerns was the safeguarding or extrication of the French nationals who were supposed to be prisoners of the orange party. Thus a helicopter-borne assault on the citadel of Perpignan was organized to get them out.

An important episode took place at Port-Vendres, where the "Liberte" and the "Saint-Servan" landed troops and heavy materiel at the dock. This use of chartered ships is of interest; the Navy already has the three Abeilles and the fuel ship "Port-Vendres." Last year, it used the cruise ship "Azur," on the occasion of the events in Lebanon, as well as freighters. This indispensable collaboration between the Navy and the merchant marine will bring the men of the sea, military and civilian, even closer together.

Finally, the Super Etendards took position at the Perpignan-Rivesaltes airport. The green state took a deep breath. Farfadet 83 achieved its objectives well. General Maldant, inspector of external forces, and the general staffs are going to study Farfadet 83 closely and draw all the lessons from it.

11267

CSO: 3519/540

## FRIGATE, DESTROYER MOVEMENTS IN APRIL 1983

Paris LA NOUVELLE REVUE MARITIME in French Jun 83 p 88

[Article: "Movements"]

[Text] After a 6-month stay in the Indian Ocean, the frigate "Commandant de Pimodan" left Djibouti at the end of March. After calling at Palermo from 6 to 8 April, it arrived at Toulon on the 10th. It was replaced in the zone by the frigate "Premier Maitre L'Her," which arrived at Djibouti on 7 April.

The escort-frigate "Balny" sailed from Papeete on 28 March for Lorient for a major carenage. It will arrive at that port in the second week of June.

The Naval Officers Application School group, which left Brest on 3 November 1982 for its annual training voyage and round-the-world visits, returned to Brest on 26 April after a 5-month absence. A military ceremony was held on board the next day to officially hand over the ashes of Commander Doudart de Lagree to the city of Saint-Vincent de Mercuze, as well of those of Francis Garnier, to his survivors. Before reaching France, the group called at Tunis from 14 to 19 April. The destroyer "Tourville," the destroyer "Aconit" and the underway-refueling tanker "Durance," which had left Brest on 28 March for a training sortie and a 2-month presence mission in the Antilles-Guyane maritime zone, called at Fort-de-France from 19 to 23 April.

The destroyer-escorts "Enseigne de Vaisseau Henry" and "Commandant Bory," as well as the underway-refueling tanker "Papenoo," aided the populations stricken by the passage of the cyclone Veena.

11267

CSO: 3519/540

## BRIEFS

NEW MINEHUNTER, FRIGATE LAUNCHED--The drydock operation of 23 April made it possible to launch the fourth "Eridan"-type minehunter, recently christened "Pegase." The fifth ship of the series was in the water for a few hours for the occasion, and then was put back in its drydock, for a few months more, in order for its armament work to be completed in a sheltered environment. The sixth hull, built in 1982 by the fiberglass-composites yard of the DCAN [Directorate of Naval Construction and Armament] and moored in the Scorff, simply floating, will wait another few months for its turn to go into the drydock. We further note that the prototype of the tripartite (France, Belgium, The Netherlands) "Eridan" program is very satisfactorily nearing the end of a long and painstaking finishing and testing program and that at the other end of the construction chain, the hull of the seventh ship, made essentially of polyester resin and fiberglass cloth, is being built fast. The frigate "Commandant Bouan" is the last ship in the series of the "d'Estienne d'Orves" type. A total of 20 units of this type will have been built at the DCAN of Lorient, 17 of them for the French Navy. [Excerpts] [Paris COLS BLEUS in French 7 May 83 p 22] 11267

## LAST GENERATION OF OFFICERS WITH WW II EXPERIENCE RETIRING

Oslo AFTENPOSTEN in Norwegian 27 Jun 83 p 3

[Article by Knut Falchenberg: "War Generation Leaves Defense Forces--Losses Among Top Officers"]

[Text] Over 200 senior officers of the war generation will on 1 July hang their uniforms in the closet for good. The new age limit is causing the largest departure of key personnel that the defense has experienced. A company of generals and colonels who took part in building up the defense from the bottom is marching out. Younger forces are coming forth. Before the weekend the army marked the departure with a gathering in the new Guards Mess at Huseby in Oslo.

The year 1983 has been marked with red in military planning for many years, in fact since 1973 when it was decided that the age limit for officers would be 60 years. At the same time it was decided that all who had less than 10 years service left could choose if they wanted to remain until they reached the old age limit of 65. This conversion decision meant that a large group of "overage" officers accumulated who this year must leave at the same time.

"This is a significant milestone, but the effect is not really as dramatic as we first thought. It has turned out that many have retired voluntarily even though they could have remained until this year. We have, therefore, experienced a diminishing of the departure problem said Inspector General of the Army Major General Egil Ingebrigtsen to AFTENPOSTEN. Before the weekend he gathered a loyal group for a farewell at the Guards Mess. Some expressed sadness, others were happy to enter the life of a pensioner. Several have as long service as former cavalry inspector Ivar Froystad, who has spent 44 years in military service. He received his baptism of fire in Normandy in 1944, in a British panzer battalion.

"I am happy to retire. Norway should still have a cavalry, but we can get along without horses," he said to AFTENPOSTEN.

In the army about 100 officers will depart in a few weeks, a mixture of accumulated and natural departures. That will include four major generals, Alexander Hagen, Bjorn Egge, Leif K. Lundesgaard and Reidar Torp. Also retiring from the army will be 20 colonels and 50 lieutenant colonels.

"A large amount of experience," confirmed Inspector General Ingebrigtsen.

AFTENPOSTEN learned that the air force, during the year, will lose 2 generals and 13 colonels, plus 40 lieutenant colonels and a number of junior officers. That will include Lieutenant General Kjell Bjorge-Hansen who currently represents Norway in Washington, and Major General Bjorn Hermansen who is in Brussels.

The navy is also marking 1983 as a special year. This branch is losing the Commander in Chief South Norway, Vice Admiral Robert Helseth, and the Chief of the Vestland Naval District, Rear Admiral Eric Breirem. In addition 7 commodores, 20 captains, 26 commanders and lieutenant commanders will retire.

9287

CSO: 3639/134

## JOURNALIST CHARGES GENOCIDE IN SAHARA

Madrid DIARIO 16 in Spanish 11 Jun 83 p 10

[Text] The Spanish Government has committed and is still committing genocide against the Saharan people, according to journalist Jorge Marin who takes part today in a Radiocadena Espanola program and produces some of the most shocking documents from the book he is writing on the final era of the Spanish administration in the Sahara.

The last years of the Spanish presence in the Sahara were characterized by intense repression against the native population, according to reports by journalist and economist Jorge Marin who is finishing a book which will reveal secrets from the final period of the Spanish administration in what was its last colony.

Marin, who since 1969 has come to know the Sahara where he was assigned on compulsory military service when he was a third-year economics student in Alcala de Henares, this morning will show shocking and as yet unpublished documents on the Radiocadena Espanola program, "Escapada" on what he views as "genocide against the Saharan people." And the worst part of all, according to his own admission, is that if a government in which most of us Spaniards did not feel ourselves represented started the genocide against the Saharan people, that genocide may now be in the process of termination by a government which 10 million of us voted into power."

"And on that score," concludes the journalist, "I too had my part in the genocide."

Marin holds among his notes various documents compromising to some of the officials from the final era of Spanish administration, but he is extremely discreet when he is asked for specific names, individuals and private interests involved in the so-called "Madrid Agreements." Among those pieces of information are several related to the strategy to be pursued by the Spanish Government and which culminated in the tripartite agreements (Spain-Morocco-Mauritania) and whose signatories Marin accuses of "high treason."

Of the documents the journalist singles out, undoubtedly prepared by the Spanish intelligence services, some make reference to the strangulation of the early independence movement.

"Regarding the events at Jatarrambla," recounts Marin, "a secret document belonging to the Government Delegation in Sahara exists which describes the advisability of the detention and disappearance in a location outside that territory of the principal leaders of the Saharan movements.

"And actually, implementing those suggestions to the letter, the arrest and ultimate disappearance of Sid Brahin Bassiri, first historical leader of the Saharan liberation movement, took place."

The journalist denounces the heavy repression unleashed by the Spanish authorities, creation of a ghost party, the PUNS, and finally, with the death of Franco and the staging of the "green march," the beginning of the end of the Spanish administration in the Sahara, "by giving up everything with no compensation."

"The Saharan people," says the journalist, "even withstood bombardment with napalm by the Moroccan Army which at times was guided to the theater of operations by Spanish planes."

#### The Changeover

But the problem now, in Marin's judgment, is that "the Saharan people are disappointed. They were expecting everything from the changeover, he says with a trace of bitterness.

"The Socialists, who had specifically recognized the Polisario Front and the Saharan Arab Democratic Republic, made no denunciation of the Madrid tripartite agreements.

"Spain, on the diplomatic level, could have done a great deal, and the Saharans were expecting Spain to act as a mediator."

Marin believes that the calm in the area reveals that talks are going on. Since the rise to power in the government by the Socialists, by design the Polisario has not been harassing our fishing boats as they did 3 years ago when they captured the crew of the "Galgomar." That the president of the government, Felipe Gonzalez, in the first 100 days of his presidency may have made a significant announcement on that part of Africa and then visited Morocco while the vice president was traveling to Algeria, indicates that the future of the Sahara is of concern in La Moncloa.

9436

CSO: 3548/449

## REPORT FROM OSLO: BRITISH SOLD MINISUBMARINES TO USSR

Stockholm SVENSKA DAGBLADET in Swedish 10 Jun 83 p 9

[Article by Erik Liden and Nils-Erik Lindell]

[Text] Oslo--In 1975, the British state-owned firm of Vickers Oceanic sold two minisubmarines to the Soviet Union. The official explanation was that they were to be used in fisheries research.

Two Norwegians--Jarle P. Aksnes and Rune Breivig--worked on those submarines as test pilots for Vickers. They each have 5,000 hours of experience with the vessels.

Jarle P. Aksnes is now manager of Bergen Underwater Services, a firm owned by the Johnson Group.

Johnson's Inge Wernersson says: "I won't venture to say that the Soviet Union used those two minisubmarines in Swedish waters, but one cannot rule out the possibility that it used the British vessels in work to develop new types of military underwater vessels.

## Swedish Navy

"We informed the Swedish Navy while the submarine hunt was underway in Hars Bay last fall that Jarle P. Aksnes, with his 5,000 hours of onboard experience, could help track down the submarines in Hars Bay.

"I realize that it was a sensitive matter for Sweden to use experts from a NATO country in its hunt for foreign submarines. But it was completely clear that in October 1982, the Swedish Navy already knew full well what kinds of submarines it was looking for."

The Defense Staff denies reports that the search command in Hars Bay knew that minisubmarines were being used.

Lt Col Jan-Ake Berg, head of the Defense Staff's Information Section, says: "We knew that minisubmarines existed, but not that they were being used in coordinated operations deep inside our archipelago. The shamelessness of those operations was not revealed until after extensive searches of the sea floor, which are described in the Submarine Committee's report."

11798

CSO: 3650/219

## GOVERNMENT DIRECTIVE TO DEFENSE COMMITTEE STRESSES CUTS

Stockholm SVENSKA DAGBLADET in Swedish 10 Jun 83 p 9

[Article by Erik Liden]

[Text] The government will soon appoint a defense committee to prepare the 1987 defense decision. The directive provides that the committee shall base its work on the assumption that in general, the economic framework will remain unchanged.

At the same time, a special committee on conscript training will begin its work by considering further differentiation in conscript training periods.

The possibility of training certain groups for 5 or 6 months will be studied as a way of making room for two annual classes of 18- and 19-year-olds in the larger army regiments.

OB [Supreme Commander of the Armed Forces] Lennart Ljung is also being informed that in his so-called projection studies, he is to allow for smaller appropriations for conscript training during the 1990's, since the lower birth rate in the 1970's will result in 4,000 conscripts in those years instead of today's approximately 50,000 [figures as published].

The OB has also been instructed to use the current defense appropriation--that is, 200 million kronor per year less than in Parliament's 1982 decision--in planning future defense. No terms of reference implying higher appropriations are to be found in the government decision that will be made on 22 June.

As was true in the past, however, the OB is not prevented from submitting his own financial proposals to the government.

## Tank Issue To Be Settled

Among the more important issues to be settled in the 1987 defense decision is the question of which tank will eventually replace the current Centurion and S tanks. The crucial factor in that decision is whether the army can set aside enough money this year to modernize the S tank.

Because of the current tight financial situation in the Armed Forces, the army cannot tie up the 500 or 600 million kronor that the modernization is expected to cost over the next few years.

The OB does not want large-scale shutdowns of peacetime units to be part of the 1987 defense decision. He wants the shutdowns that were decided on in 1982 to be evaluated over the next few years. In the long run, fewer conscripts will mean a reduced need for barracks and training facilities.

This means that some of the regiments and other establishments that were kept in operation because of political decisions may again be considered for shutdown in 1987.

#### Air Force Under Strain

The air force, which uses over 50 percent of its budget to procure equipment, is under a severe strain due to the high value of the dollar, the devaluation, choked appropriations, less compensation for inflation, the higher value-added tax, and so on.

According to current estimates by the military staffs, the air force is going into the 1983-1984 fiscal year with 650 million kronor less than it needs to carry out the decisions reached by Parliament in 1982.

This means that the purchase of Sidewinder 9-L air-to-air missiles from the United States for its Viggen aircraft may have to be postponed. It also means a risk of slower expansion of the road base system during the 1990's, fewer radar stations, and delayed reconstruction of the tactical and air defense control system.

The navy and army have similar cash problems, although theirs are not as severe because in those two branches, only about 30 percent of the appropriation goes for equipment.

The government decided on Thursday to reject the OB's request for permission to use 100 million kronor in previously withdrawn price control funds, which would provide just enough to help the air force and other sectors.

The OB's request for the 100 million kronor was rejected on the grounds that the 250 million kronor taken from the oil tax for antisubmarine defense would have to suffice and that instead, the OB should draw on some of next year's funds in connection with the new fiscal year.

Those overdrafts are to be paid back in the regular way.

11798

CSO: 3650/219

## DEFENSE WRITER DECRIES DEFENSE CUTBACKS OVER RECENT YEARS

Stockholm SVENSKA DAGBLADET in Swedish 12 Jun 83 p 3

[Op-Ed commentary by Ingemar Engman]

[Text] Ingemar Engman has been a department head at the Ministry of Defense and a research secretary for the Metalworkers Union. He is going to take a job at the SAAB-Bofors Missile Corporation.

In a recently published document, Wilhelm Agrell dealt with certain aspects of Sweden's neutrality policy. Starting with generally accepted descriptions of that policy, Agrell examined the way it actually looks today. Agrell's arguments lead primarily to the conclusion that the neutrality policy is in a kind of crisis.

This is apparent partly in several of Agrell's views and comments, which form a good starting point for a discussion of the situation with respect to defense as it exists now, a few years into the 1980's.

Of the many factors constituting what we have long been in the habit of calling the traditional Swedish neutrality policy, there is one that has undergone obvious changes in terms of the previous situation, and that is the defense policy. In the case of the other factors--cooperation between states, trade policy, and ideological commitment, for example--there are no corresponding "minus entries."

#### Changed Three Times

A review of what has happened during the postwar period shows that the defense policy and long-term economic investments in defense have changed markedly on three occasions.

The first time was in 1948. At the time, Sweden's military capability in comparison with the surrounding world was considerable. This had come about as a consequence of the big investments that had been made, for natural reasons, over the preceding 10 years. The 1948 defense decision was more or less a decision to disarm. Defense capability would be gradually reduced as a result of the allocation of fewer resources and organizational changes. It was a deliberate measure.

But the 1950's became the decade of the Cold War. As the years passed, it became obvious that the undermining of defense could not go on forever. After about a decade, the time was right for the defense decision (in 1958) which marked the beginning of a very extensive buildup and expansion of our military defenses. It was the period when we also established what was, by international standards, an outstanding system of civil defense and population protection.

That arms buildup came about after the Social Democratic government and the nonsocialist opposition had agreed on financing. Some time later, there also came the turnover tax (and later the value-added tax), which made it possible to pay for the big growth in public spending that occurred in the 1960's.

#### Deliberate Disarmament

Later on, the Cold War was followed by what is usually called the politics of detente. The inauguration of the Brandt-Scheel government in the FRG (1969) was an event symbolizing the new climate. In 1972--after a tough battle, it is true--it was possible for a package of treaties with the East to be ratified by the West German Parliament.

Almost at the same time, the Swedish Parliament reached agreement on the 1972 defense decision, which called for gradual disarmament and referred explicitly to the politics of detente and disarmament efforts in Europe as the reason. As had been true in 1948, this was a deliberate action.

Just over a decade has now passed. During that time, our defensive strength has been gradually undermined. And it will be further undermined over the next few years. In terms of hard cash, the annual defense budget has dropped by just over 3 billion kronor over the past 10 years (as a percentage of the GNP, which is probably a quite relevant measurement). That amounts to 15 or 16 billion kronor over one so-called planning period. It goes without saying that saving such a sum on training and equipment procurement leaves its mark.

It is against that background that we, to our great surprise, must note large-scale violations of our country's territory. According to the government's investigating committee, those violations are obviously a link in military and operational preparations against Sweden. In several quarters, the opinion has been expressed that confidence in the Soviet Union's foreign policy has been shaken.

The question of whether Sweden ought to take the matter of that big power's repeated violations of a small neighboring country's territory before the UN Security Council is beginning to be discussed. A truly jolting experience for the little country.

Consequently, it is natural that the country's actual defense capability is beginning to attract interest in wider circles as well. Not surprisingly, that interest is concentrated on current budget problems. The time chosen for carrying on more or less subtle discussions about whether and to what extent the so-called price control funds--that is, funds appropriated by Parliament to

pay for defense activities that are currently underway--should be discontinued or not seems to be especially inappropriate.

#### Long-Term Consequences

It must be strongly emphasized, however, that the current cash problems are not the most essential thing. Completely overshadowing them is the question of what the long-term consequences of various deliberations and decisions will be. The crucial question is the effect that the planning budget and the spending budgets will have on defense capability over a rather long period--say 10 years.

A particularly relevant issue today, therefore, is the following: when will it be possible to start providing more money for defense planning so that the continuing gradual decline in our defensive strength can be brought to a stop and turned around? Even if such a reversal were brought about, considerable time would be required before any significant improvements would occur.

#### Neutrality Best for Us

The effect of what we call the Swedish neutrality policy can be considerable if we really become convinced that deliberate and large-scale operational preparations against Sweden are underway in the world around us. If they are, Swedish foreign policy is in danger of losing an especially important asset that we have so far taken almost for granted: the assurance that in all probability, the initial stages of a major conflict in Europe would not necessarily affect Sweden.

If that assurance is altered and we must then count on the opposite as being a fact--that is, that we will very probably be drawn into a conflict from the very first moment--a good many other things will also change, because the entire concept of the neutrality policy will have lost a great deal of its meaning. It also means that we must reconsider the hypothesis that both of the big power blocs have an interest in seeing Sweden remain neutral and nonbelligerent.

If we are attacked--practically right off the bat--by the Warsaw Pact, we will wind up almost automatically on the other side. (A debate in the UN Security Council on the submarine violations would develop into a minor illustration of those problematics because Sweden would receive strong support, especially from the United States and other NATO members.)

For our own part, we must uphold another view. We must continue to uphold the concept of Sweden's neutrality policy quite simply because we believe that it is best for us. We want to stay out of war if it strikes Europe again. We are prepared to accept a great many sacrifices to achieve that goal because it is so infinitely worthwhile to us.

#### Time To Build up Defensive Strength

An extremely important element in maintaining our neutrality policy is the pursuit of a constructive long-term defense policy. Since we have been undermining our defensive strength for a number of years through deliberate measures, it

ought to be time once again to build up that strength. The reason is that our defensive strength may turn out to be the totally decisive element when the time comes to do what we so ardently want to do: stay out of a war in Europe between the big powers.

No objectively ascertainable factors capable of altering the basic conditions for achieving the main objective of Sweden's foreign policy--to stay out of all wars--have arisen. Neither military technological developments nor the military deployment of the big power blocs in northern Europe have changed the basic conditions in this respect.

Basically, our prospects for staying out of a major European war are just as good as before--provided that we manage what we have in the right way. A military conflict to control a land mass in northern Europe as big as Sweden is a very risky undertaking for all nations concerned. In the long run, a defender will have the best odds.

In all probability, conditions are still such that if the leading nations in the two big power blocs could be sure that Sweden's extensive territory would really remain outside the war, that would be a reassuring factor. Even if we in Sweden are not completely responsible for seeing that the world around us makes that judgment and sticks to it, we nevertheless bear a great deal of that responsibility.

#### Major Shortcomings

If it really turns out that the world's actual conduct toward us must be interpreted as meaning that we have been included in military operational planning--and that is the Submarine Committee's interpretation--then a new factor has entered the picture. This does not mean that any military dangers are at our gates. But it may mean that Sweden's actual starting point in future situations of crisis may turn out to be totally different than we have thus far imagined.

It is therefore essential to point out that Sweden's defense capability will further decline during the 1980's as a consequence of decisions reached earlier. Especially after the incident in Hars Bay, there have been startled cries for more resources to be used in submarine hunts. (How glorious it is to be wise after the event!)

The shortage of resources for hunting submarines today is due quite simply to the lack of money during the 1970's. Bigger imbalances and shortcomings are probably to be found even now in other and perhaps more vital areas. It will take considerable time to correct them. A crucial element here is the Armed Forces planning budget for the second half of the 1980's.

#### Stable Appropriations

The economic crisis now being experienced by this country does not constitute a restriction when it is a question of shifting the defense policy in the direction of a buildup of resources. If the neutrality policy's continued

existence is really being threatened, it should be possible to reach prompt agreement concerning the importance of maintaining and increasing our defense capability.

As a matter of fact, no spectacular increases in expenditure are needed. To begin with, we could probably do quite a bit just by creating stable appropriations of funds. A great deal would be gained just by putting an end to the constant spasms--sometimes several times a year--that affect the planning and spending budgets.

A carefully considered increase in defense spending does not need to jeopardize efforts to straighten out the country's economy. The increase must naturally take place within the framework of the overall goals: reindustrialization, the fight against inflation, and so on. Anything else is futile. An economically strong society can always pay more for defense than a weak one can.

#### National Security Must Take Precedence

Last of all, foreign policy and consideration for national security must always take precedence when weighed against considerations of budget policy. It is unrealistic to believe that things are any different in the 1980's.

So it is quite obviously time for an emergency policy in the area of defense, too. Perhaps it can be introduced by a new defense investigating committee--one not saddled by any directives except a commonsense consideration of the country's economy.

11798

CSO: 3650/219

## FINLAND TO JOIN IN METEOSAT NETWORK

Helsinki UUSI SUOMI in Finnish 12 Jun 83 p 10

[Article by Martti Ristimäki: "Annual Cost About a Half a Million Markkas"]

[Text] Finland is joining the European EUMETSAT [European Meteorological Satellite] organization, whose METEOSAT weather satellite will be sending new kinds of weather pictures to member nations. Perhaps as soon as 1987.

The METEOSAT satellite is expected to improve observation and tracking of weather disturbances coming from areas other than the polar areas. METEOSAT pictures will annually cost Finland about a half a million markkas.

METEOSAT transmits the scene as pictures to earth. In the center we can see the African continent. Finland is at the upper edge of the picture near the limit of the satellite's field of vision. In the lower picture the satellite observations are changed by computer into a normal map projection whereby the distortion is eliminated.

Like television satellites, the METEOSAT system weather satellite is a so-called geostationary satellite. At an altitude of 36,000 km above the equator it remains stationary with regard to the earth. Above the Gulf of Guinea it completely portrays the third of the globe below it at half-hour intervals and simultaneously transmits the pictures to the receiving center on earth.

"Because of the curvature of the earth, the satellite's horizon is at 76 degrees of latitude in the north and the south. We cannot see with it anything farther north or south of that," said Weather Department chief Jorma Riissanen of the Meteorological Institute.

"Here in Finland we are between latitudes 60 and 70 degrees north. Particularly the northern parts of Finland appear very distorted in satellite pictures," Riissanen added.

Will Complement "Polar Satellites"

Until now Finland has been receiving pictures from U.S. NOAA-series satellites, which circle the earth via the poles at a height of from 800 to 900 km.

"We obtain data from such satellites when they fly over Finnish territory, about 3 or 4 times a day," Riissanen said.

"However, METEOSAT will constantly photograph the area beneath it at half-hour intervals and transmit the pictures to receiving stations on earth.

"Thus the frequency with which this satellite obtains data on the area it views is considerably greater. The development of even a small weather disturbance can be followed," Riissanen asserted.

A year system would not completely replace pole-circling satellites — especially not as concerns the Nordic countries — but rather the systems would complement one another.

METEOSAT will depict the part of Finland we are interested in from the standpoint of weather developments. Frequent low-pressure fronts reach our country from the west and southwest. Weather disturbances approaching from the south and southeast often change their direction and speed.

We will, therefore, be able to follow weather developments more accurately and frequently than before. Meteorologists would presumably be less often subject to surprises.

However, we will not get more frequent weather reports on the North Pole area, which is of particular importance to Finland.

"Only by increasing the number of pole-circling weather satellites and automatic weather observation stations could that gap be filled," Erkki Jatila, the director of the Meteorological Institute, said.

#### Finland Has Already Made Tests

"METEOSAT's test phase has begun," department head Riissanen told us.

"Last December we tested picture reception at this institute with equipment borrowed from the West European space research organization, ESA [expansion unknown]."

ESA satellites were also used in testing the METEOSAT program.

The conference convened to found the EUMETSAT organization, which is to conduct the METEOSAT program, was held last May in Geneva. Practically speaking, all the West European countries are participating in the organization. Twelve countries signed the membership agreement at the conference. A governing body of from 10 to 20 members will be created for the organization.

"The first satellite paid for by the organization will be shot into orbit in 1987," Jatila announced.

"One of these satellites will run for only a few years."

## ESA Will Administer Services

"Regular services will be purchased from the ESA space research organization," Jatila said.

ESA has a big reception station in Darmstadt in the Federal Republic of Germany, where data from METEOSAT, among others, will be recorded. There satellite pictures will be, so to speak, projected by computers, whereby the "distortion" of the northern areas will be corrected. After that the pictures will be transmitted to member nation weather service stations via the same satellite.

In principle, if it wanted to, Finland could itself receive the "raw" pictures from the satellite.

## Finland's Membership Cheap

Finland has not joined the EUMETSAT organization until now, when the test phase for the satellite program is coming to an end.

"We are not, however, joining the ESA space research organization itself," Jatila emphasized.

At the EUMETSAT founding conference Finland announced that it would try to contribute 0.3 percent of the organization's total budget. Our country's contribution for this year is included in the administration's supplementary budget proposal. According to the experts, considering the benefit to be derived from it, membership is cheap.

"On the average Finland's share will annually amount to about a half a million markkas," Jatila estimated.

"One automatic weather observation station costs about the same."

Aside from the size of its GNP, a country's contribution will also be determined on the basis of the benefit each country's industry derives from the satellite program. Finland will in addition receive a "reduction" because its territory is very distorted in the pictures.

## Meteorology Requires Cooperation

"In the field of meteorology cooperation between countries is quite usual," Jatila emphasized.

Weather data is exchanged between the different countries and weather observation stations.

The World Meteorological Organization (WMO) is an important forum for cooperation.

"Among other things, it investigates climatic changes and helps the weather services of the developing countries," director Jatila, who has just been elected to the WMO Administrative Council, noted.

The West European countries have a common weather center at Reading in England which issues as many as 10 weather forecasts a day. In the Nordic countries they are also trying to concentrate more on cooperation than before.

In connection with director Jatila's trip to the Soviet Union next fall, the improvement of Finnish-Soviet cooperation in the field of weather reporting will be discussed.

11,466  
CSO: 3617/149

END